



SINGAPORE MEDICAL GROUP LIMITED (Co. Reg. No.: 200503187W)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>Increase/ (decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	87,340	94,672	(7.7)
Cost of sales	(49,300)	(51,431)	(4.1)
Gross profit	38,040	43,241	(12.0)
Other items of income			
Financial income	75	100	(25.0)
Other income	93	104	(10.6)
Other (loss) ¹ /gain	(3,000)	29	N.M
Other items of expense			
Distribution and selling expenses	(3,386)	(4,142)	(18.3)
Administrative expenses	(20,751)	(22,132)	(6.2)
Financial expenses	(996)	(1,404)	(29.1)
Share of results of joint ventures and associates	453	273	65.9
Profit before tax	10,528	16,069	(34.5)
Income tax expense	(1,431)	(2,434)	(41.2)
Profit for the year	9,097	13,635	(33.3)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	384	(3)	N.M
	384	(3)	N.M
<i>Items that will not be reclassified to profit or loss</i>			
Net gain on equity instrument designated at fair value through other comprehensive income ("FVOCI")	1,353	-	100.0
	1,353	-	100.0
Other comprehensive income for the year, net of tax	1,737	(3)	N.M
Total comprehensive income for the year	10,834	13,632	(20.5)
Profit attributable to:			
Owners of the Company	8,730	13,661	(36.1)
Non-controlling interests	367	(26)	N.M
	9,097	13,635	(33.3)
Total comprehensive income attributable to:			
Owners of the Company	10,467	13,658	(23.4)
Non-controlling interests	367	(26)	N.M
	10,834	13,632	(20.5)

N.M: Not meaningful

¹ Other loss for the financial year ended 31 December 2020 comprises impairment loss on goodwill of S\$3.0 million.

Notes to the Consolidated Statement of Comprehensive Income

The profit before tax is determined after charging/(crediting) the following:

	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>Increase/ (decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment	2,998	3,009	(0.4)
Amortisation of intangible assets	365	245	49.0
Depreciation of right-of-use assets	5,961	5,924	0.6
Lease expenses	934	1,064	(12.2)
Interest expenses on loans and borrowings	605	847	(28.6)
Interest expenses on lease liabilities	334	397	(15.9)
Personnel expenses	29,782	31,476	(5.4)
Share-based compensation expense, included under personnel expenses	345	390	(11.5)
Impairment loss on trade receivables	167	146	14.4
Impairment loss on goodwill	3,000	-	100.0
Gain on disposal of property, plant and equipment	(17)	(12)	41.7
Gain on dilution of interest in joint venture	-	(29)	(100.0)
(Over)/Under provision of income tax in respect of prior years	(113)	183	N.M

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,755	7,742	653	1,102
Intangible assets	123,912	126,921	193	238
Right-of-use assets	9,902	13,007	3,983	4,103
Investment in subsidiaries	-	-	133,397	125,085
Investment in joint ventures	1,738	1,749	2,156	2,151
Investment in associates	6,721	5,868	6,395	6,395
Other investment	3,041	1,285	3,041	1,285
Other receivables	2,828	2,906	787	758
Deferred tax assets	730	754	286	286
	155,627	160,232	150,891	141,403
Current assets				
Inventories	1,828	1,800	-	-
Trade receivables	5,268	5,631	-	-
Prepayments	703	982	50	150
Other receivables	1,489	1,657	216	267
Due from related companies	-	-	12,289	11,312
Cash and cash equivalents	25,623	27,316	4,515	12,159
	34,911	37,386	17,070	23,888
Total assets	190,538	197,618	167,961	165,291
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	1,886	2,120	2	2
Other payables and accruals	11,964	12,183	632	1,014
Contract liabilities	2,945	2,026	-	-
Deferred purchase consideration	-	1,377	-	-
Due to related companies	-	-	7,764	8,972
Lease liabilities	5,134	5,880	2,103	2,556
Convertible loan	-	9,201	-	9,201
Loans and borrowings	5,307	5,709	801	1,000
Income tax payable	2,132	2,174	-	-
	29,368	40,670	11,302	22,745
Net current assets/(liabilities)	5,543	(3,284)	5,768	1,143
Non-current liabilities				
Other accrual	408	379	212	212
Due to related companies	-	-	6,599	7,783
Lease liabilities	3,343	5,797	1,633	1,297
Loans and borrowings	3,649	5,295	3,006	-
Deferred tax liabilities	259	228	-	-
	7,659	11,699	11,450	9,292
Total liabilities	37,027	52,369	22,752	32,037
Net assets	153,511	145,249	145,209	133,254

	<u>Group</u>		<u>Company</u>	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
Equity attributable to owners of the Company				
Share capital	119,838	119,789	119,838	119,789
Treasury shares	(89)	(42)	(89)	(42)
Share option reserve	939	680	939	680
Equity component of convertible loan	-	603	-	603
Foreign currency translation reserve	(261)	(645)	-	-
Fair value reserve	1,353	-	1,353	-
Retained earnings	32,304	25,566	23,168	12,224
	154,084	145,951	145,209	133,254
Non-controlling interests	(573)	(702)	-	-
Total equity	153,511	145,249	145,209	133,254
Total equity and liabilities	190,538	197,618	167,961	165,291

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

At 31/12/2020		At 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,094	-	5,905	10,201

Amount repayable after one year

At 31/12/2020		At 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,696	-	6,114	-

Details of any collateral

Loans and borrowings

Loans and borrowings amounting to:

- S\$4,601,000 (31/12/2019: S\$8,383,000) are secured by: (i) a charge over the share capital of 8 wholly-owned subsidiaries; (ii) an assignment of the sale and purchase agreements and the Deed of Profit Guarantee in relation to the Astra Companies²; (iii) a first fixed charge over the consultancy agreements of certain doctors of the Group; (iv) a fixed and floating charge on all assets of the Astra Companies; and (v) corporate guarantee taken by 2 subsidiaries of the Group; and
- S\$549,000 (31/12/2019: S\$1,621,000) and S\$3,807,000 (31/12/2019: S\$Nil) are secured by corporate guarantee taken by the Company and 2 subsidiaries of the Group respectively.

² Astra Companies comprise Astra Women's Specialists (WB) Pte. Ltd., The Women's Specialist Centre (HC) Pte. Ltd., Fong's Clinic (TB) Pte. Ltd., Astra Centre for Women & Fertility Pte. Ltd., Astra Women's Specialists (JL) Pte. Ltd., TCK@Novena Pte. Ltd. and Alpha Healthcare International Pte. Ltd.

Hire purchase of medical equipment

Included in lease liabilities are hire purchases of medical equipment amounting to S\$833,000 (31/12/2019: S\$2,015,000) that are secured by the Group's medical equipment with carrying amount of approximately S\$2,535,000 (31/12/2019: S\$3,742,000).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	31/12/2020 S\$'000	31/12/2019 S\$'000
Profit before tax	10,528	16,069
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	2,998	3,009
Amortisation of intangible assets	365	245
Depreciation of right-of-use assets	5,961	5,924
Interest income	(75)	(100)
Interest expenses	939	1,244
Amortisation of loan costs	43	45
Accretion of interest on deferred purchase consideration	14	115
Gain on disposal of property, plant and equipment	(17)	(12)
Gain on dilution of interest in joint venture	-	(29)
Impairment loss on trade receivables	167	146
Impairment loss on goodwill	3,000	-
Bad debts written off	11	1
Lease receivable written off	18	-
Income from rental relief	(1,548)	-
Share-based compensation expense	345	390
Share of results of joint ventures and associates	(453)	(273)
Total adjustments	11,768	10,705
Operating profit before working capital change	22,296	26,774
<u>Change in working capital</u>		
(Increase)/decrease in:		
Inventories	(27)	(107)
Trade and other receivables	168	(705)
Prepayments	279	796
(Decrease)/increase in:		
Trade payables	(235)	470
Contract liabilities, other payables and accruals	115	1,685
Total change in working capital	300	2,139
Cash flow generated from operations	22,596	28,913
Interest received	73	87
Interest paid	(1,167)	(1,003)
Income tax paid	(1,417)	(1,888)
Net cash flows generated from operating activities	<u>20,085</u>	<u>26,109</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,378)	(1,520)
Purchase of intangible assets	(194)	(623)
Proceeds from sale of property, plant and equipment	6	-
Payment of deferred purchase consideration	(1,392)	(15,611)
Other investment	(403)	(354)
Loan to associate	-	(300)
Loans to a related party	-	(653)
Return of capital by a joint venture	-	316
Net cash flows used in investing activities	<u>(3,361)</u>	<u>(18,745)</u>

	31/12/2020	31/12/2019
	S\$'000	S\$'000
Cash flows from financing activities		
Dividends paid	(1,930)	-
Dividends paid to non-controlling interests	(300)	(380)
Issuance of shares	-	718
Purchase of treasury shares	(84)	(42)
Net proceeds from drawdown of convertible loan	-	9,804
Repayment of convertible loan	(10,000)	-
Proceeds from loans and borrowings	4,000	4,000
Repayment of loans and borrowings	(5,667)	(7,867)
Payment of principal portion of lease liabilities	(4,436)	(6,293)
Net cash flows used in financing activities	<u>(18,417)</u>	<u>(60)</u>
Net (decrease)/increase in cash and cash equivalents	(1,693)	7,304
Cash and cash equivalents at the beginning of financial year	27,316	20,012
Cash and cash equivalents at the end of financial year	<u>25,623</u>	<u>27,316</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>GROUP</u>	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Treasury shares	Share option reserve	Equity component of convertible loan	Foreign currency translation reserve	Fair value reserve	Retained earnings			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
At 1 January 2020	119,789	(42)	680	603	(645)	-	25,566	145,951	(702)	145,249
Profit for the year	-	-	-	-	-	-	8,730	8,730	367	9,097
Foreign currency translation differences	-	-	-	-	384	-	-	384	-	384
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	-	1,353	-	1,353	-	1,353
Total comprehensive income for the year	-	-	-	-	384	1,353	8,730	10,467	367	10,834
Purchase of treasury shares	-	(84)	-	-	-	-	-	(84)	-	(84)
Treasury shares reissued pursuant to SMG Share Plan	49	37	(86)	-	-	-	-	-	-	-
Share-based compensation expense	-	-	345	-	-	-	-	345	-	345
Dividends on ordinary shares	-	-	-	-	-	-	(1,930)	(1,930)	-	(1,930)
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(300)	(300)
Repayment of convertible loan	-	-	-	(603)	-	-	-	(603)	-	(603)
Transfer of interests in a subsidiary to non-controlling interests without a change in control	-	-	-	-	-	-	(62)	(62)	62	-
At 31 December 2020	119,838	(89)	939	-	(261)	1,353	32,304	154,084	(573)	153,511
At 1 January 2019	118,918	-	443	-	(642)	-	12,059	130,778	(450)	130,328
Profit for the year	-	-	-	-	-	-	13,661	13,661	(26)	13,635
Foreign currency translation differences	-	-	-	-	(3)	-	-	(3)	-	(3)
Total comprehensive income for the year	-	-	-	-	(3)	-	13,661	13,658	(26)	13,632
Issuance of shares	871	-	(153)	-	-	-	-	718	-	718
Purchase of treasury shares	-	(42)	-	-	-	-	-	(42)	-	(42)
Share-based compensation expense	-	-	390	-	-	-	-	390	-	390
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(380)	(380)
Issuance of convertible loan	-	-	-	603	-	-	-	603	-	603
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(154)	(154)	154	-
At 31 December 2019	119,789	(42)	680	603	(645)	-	25,566	145,951	(702)	145,249

<u>Company</u>	Share capital	Treasury shares	Share option reserve	Equity component of convertible loan	Fair value reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	119,789	(42)	680	603	-	12,224	133,254
Profit for the year	-	-	-	-	-	12,874	12,874
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	1,353	-	1,353
Total comprehensive income for the year	-	-	-	-	1,353	12,874	14,227
Purchase of treasury shares	-	(84)	-	-	-	-	(84)
Treasury shares reissued pursuant to SMG Share Plan	49	37	(86)	-	-	-	-
Share-based compensation expense	-	-	345	-	-	-	345
Dividends on ordinary shares	-	-	-	-	-	(1,930)	(1,930)
Repayment of convertible loan	-	-	-	(603)	-	-	(603)
At 31 December 2020	119,838	(89)	939	-	1,353	23,168	145,209
At 1 January 2019	118,918	-	443	-	-	2,461	121,822
Total comprehensive income for the year	-	-	-	-	-	9,763	9,763
Issuance of shares	871	-	(153)	-	-	-	718
Purchase of treasury shares	-	(42)	-	-	-	-	(42)
Share-based compensation expense	-	-	390	-	-	-	390
Issuance of convertible loan	-	-	-	603	-	-	603
At 31 December 2019	119,789	(42)	680	603	-	12,224	133,254

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital

	2020		2019	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
Issued and fully paid ordinary shares (including treasury shares)				
At 1 January	483,021	119,789	480,651	118,918
Issued upon exercise of share options (note 1)	-	-	2,370	871
Reclassification from share option reserve for performance shares issued via transfer of treasury shares	-	49	-	-
At 30 June, 1 July ³ and 31 December ³	483,021	119,838	483,021	119,789

³ There are no movements in share capital from 1 July 2020 to 31 December 2020 and 1 July 2019 to 31 December 2019.

Note 1

For the financial year ended 31 December 2019, the Company issued 2,370,000 ordinary shares following the exercise of share options by the Company's employees, under the SMG Share Option Scheme.

As at 31 December 2019, the Company held 139,000 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares and subsidiary holdings) was 482,882,635 shares. On 19 March 2020, the Company bought back 445,000 shares by way of market acquisition and on 12 May 2020, the Company transferred 173,040 treasury shares as performance shares awarded under the SSP (as defined below). After such share buy-back and share award, and as at 31 December 2020, the Company held 410,960 treasury shares and the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) was 482,610,675 shares.

Share Options

The SMG Share Option Scheme ("SSOS") was approved by the shareholders at the Extraordinary General Meeting on 30 April 2014. During the financial year ended 31 December 2020, 285,000 (31/12/2019: 1,935,000) share options were granted by the Company and accepted by employees. As at 31 December 2020, the number of shares that may be issued on conversion of all the outstanding share options were 10,440,000 (31/12/2019: 10,350,000), representing approximately 2.16% (31/12/2019: 2.14%), of the total issued shares (excluding treasury shares and subsidiary holdings).

The movement of share options of the Company during the financial year is as follows:

Date of grant of options	Exercise price per share	Options	Options granted	Options exercised	Options forfeited/ expired	Options	Expiry date
		outstanding at 01/01/2020				outstanding at 31/12/2020	
22/09/2016	S\$0.303	2,510,000	-	-	-	2,510,000	21/09/2021
03/04/2017	S\$0.545	585,000	-	-	-	585,000	02/04/2022
30/04/2018	S\$0.493	5,320,000	-	-	(120,000)	5,200,000	29/04/2023
31/05/2019	S\$0.393	1,935,000	-	-	(75,000)	1,860,000	30/05/2024
12/05/2020	S\$0.255	-	285,000	-	-	285,000	11/05/2025
		10,350,000	285,000	-	(195,000)	10,440,000	

Performance Shares

In addition to the SSOS, share awards can be granted to employees under the SMG Share Plan (“SSP”), which was approved by the shareholders at the Extraordinary General Meeting on 30 April 2014.

Depending on the achievement of pre-determined targets over the performance periods for the SSP, the final number of performance shares awarded will be adjusted accordingly.

No performance shares were granted to employees under the SSP during the financial years ended 31 December 2020 and 31 December 2019. As at 31 December 2020, the number of outstanding performance shares granted under the SSP were 168,000 (31/12/2019: 336,000) representing approximately 0.03% (31/12/2019: 0.07%), of the total issued shares (excluding treasury shares and subsidiary holdings).

The details of the shares granted under SSP are as follows:

Date of grant	Number of Performance Shares				Outstanding at 31/12/2020
	Outstanding at 01/01/2020	Granted	Adjustments [#]	Vested	
30/04/2018	336,000	-	5,040	(173,040)	168,000
	336,000	-	5,040	(173,040)	168,000

[#] Adjustment will be made at the end of each performance period upon meeting pre-determined performance targets by multiplying the higher of: (i) accumulated dividend yield; or (ii) 3% per annum on a compounded basis for the respective performance period.

Convertible Loan

The Company had, on 25 April 2019, obtained shareholders’ approval for the issuance of an aggregate of up to 23,640,662 new ordinary shares in the capital of the Company to CHA Healthcare Singapore Pte. Ltd. (“CHS”), upon the conversion of the convertible loan of S\$10.0 million (the “Convertible Loan”) pursuant to the terms and conditions of a convertible loan agreement dated 20 February 2019. The Company had drawn down the Convertible Loan on 4 June 2019. On 8 May 2020, the Company, with the agreement of CHS, repaid the Convertible Loan, together with interest of S\$325,000, and released the announcement via SGXNET on the same day.

Save as disclosed above, there were no other outstanding options and convertibles as at 31 December 2020 and 31 December 2019.

Treasury Shares

	2020		2019	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
At 1 January	139	42	-	-
Purchase of treasury shares	445	84	139	42
Reissue of treasury shares pursuant to the SSP	(173)	(37)	-	-
At 31 December	411	89	139	42
As percentage of total issued shares (excluding treasury shares and subsidiary holdings)	<u>0.09%</u>		<u>0.03%</u>	

There were no subsidiary holdings held by the Company as at 31 December 2020 and 31 December 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Total number of issued shares	483,021,635	483,021,635
Treasury shares	(410,960)	(139,000)
Total number of issued shares (excluding treasury shares)	<u>482,610,675</u>	<u>482,882,635</u>

As at the date of this announcement, the number of issued shares (excluding treasury shares) is 482,610,675.

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Please refer to paragraph 1(d)(ii) for movements in treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings as at 31 December 2020 and 31 December 2019.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Except as disclosed in paragraph 5, the accounting policies and methods of computation have been consistently applied by the Group and the Company and are consistent with the audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INT**") which became effective for the accounting periods beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I) and SFRS(I) INT are currently assessed to have no material financial impact on the Group's financial statements for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

(a) based on the weighted average number of ordinary shares on issue; and

(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	31/12/2020	31/12/2019
Net profit attributable to the owners of the Company used in the computation of basic earnings per share (S\$'000)	8,730	13,661
Net profit attributable to the owners of the Company used in the computation of diluted earnings per share (S\$'000)	8,730	13,830
Earnings per share (cents per share)		
- Basic	1.81	2.83
- Diluted	1.81	2.72

The basic earnings per share for the financial year ended 31 December 2020 is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 482,643,103 (31/12/2019: 482,061,131). The diluted earnings per share for the financial year ended 31 December 2020 is calculated by dividing the net profit for the year attributable to owners of the Company adjusted for interest expense on the Convertible Loan by the weighted average number of ordinary shares in issue of 482,843,827 (31/12/2019: 508,501,409). The weighted average number of ordinary shares for diluted earnings per share computation has taken into consideration the share options granted to the employees under the existing employee share option plan and the conversion of the Convertible Loan.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net asset value per ordinary share (cents)	31.93	30.22	30.09	27.60

Net asset value per ordinary share is calculated based on 482,610,675 and 482,882,635 ordinary shares (excluding treasury shares) outstanding as at 31 December 2020 and 31 December 2019 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on**

Statement of Comprehensive Income

Revenue

The Group's revenue decreased by 7.7% from S\$94.7 million for the financial year ended 31 December 2019 ("FY2019") to S\$87.3 million for the financial year ended 31 December 2020 ("FY2020"). The revenue of the Diagnostic & Aesthetics Business segment and the Health Business segment decreased by S\$2.2 million and S\$5.4 million respectively mainly due to a drop in patient volume arising from deferment of non-essential medical services and the temporary closure of certain clinics during the Circuit Breaker ("CB") period in Singapore from April to June 2020 as a result of the COVID-19 pandemic. In addition, the decrease is also attributed to the decline in medical tourism due to the travel restrictions imposed by the Singapore and regional governments stemming from the pandemic.

Gross profit

Gross profit decreased by 12.0% from S\$43.2 million for FY2019 to S\$38.0 million for FY2020 as a result of the decrease in revenue. Gross profit margin decreased by two percentage points from 46% in FY2019 to 44% in FY2020. This is mainly due to decrease in revenue with no corresponding decrease in certain fixed costs.

Other income

Other income decreased by 10.6% from S\$104,000 for FY2019 to S\$93,000 for FY2020 mainly due to lower miscellaneous income in FY2020.

Other (loss)/gain

Other loss for FY2020 comprises impairment loss recognised on goodwill arising from the acquisition of 3 Paediatrics clinics in 2017. In view of the projected decline in earnings of the Paediatrics Business Unit due to the negative impact of COVID-19 on the business, an impairment loss on goodwill of S\$3.0 million was recognised in the current financial year.

Other gain for FY2019 comprises gain on dilution of interest in joint venture.

Distribution and selling expenses

Distribution and selling expenses decreased by 18.3% from S\$4.1 million for FY2019 to S\$3.4 million for FY2020. The decrease was largely in line with the decrease in revenue.

Administrative expenses

Administrative expenses decreased by 6.2% from S\$22.1 million for FY2019 to S\$20.8 million for FY2020. This was mainly due to the decrease in staff costs arising from wage credits received under the Job Support Scheme as part of the COVID-19 support measures announced by the Singapore Government.

Financial expenses

Financial expenses decreased by 29.1% from S\$1.4 million for FY2019 to S\$1.0 million for FY2020 mainly due to decrease in interest expenses on loans and borrowings with the repayment of loan principal and decrease in accretion of interest on deferred purchase consideration as all deferred purchase consideration had been paid during the financial year.

Share of results of joint ventures and associate

Share of profit of joint ventures and associates increased by 65.9% from S\$0.3 million for FY2019 to S\$0.5 million for FY2020 mainly due to profits earned by the associated company, CHA SMG (Australia) Pte. Ltd. (“**CSA**”). The improvement in performance of this entity was offset by the lower profits earned from the joint venture entity, PT Ciputra SMG, and losses incurred by the joint venture entity, SMG International (Vietnam) Pte. Ltd., as a result of the COVID-19 pandemic.

Income tax expense

Income tax expense decreased by 41.2% from S\$2.4 million for FY2019 to S\$1.4 million for FY2020 mainly due to a lower taxable profit for the financial year.

Statement of Financial Position

Non-current assets decreased by S\$4.6 million from S\$160.2 million as at 31 December 2019 to S\$155.6 million as at 31 December 2020, mainly due to:

- (a) Decrease in property, plant and equipment arising from depreciation charged, net of additions of assets during the financial year;
- (b) Decrease in intangible assets arising from impairment loss recognised on goodwill and amortisation charged, net of additions of assets during the financial year; and
- (c) Decrease in right-of-use (“**ROU**”) assets arising from depreciation charged, offset by the renewal of existing leases for clinic premises during the financial year.

The above decreases were offset by: (a) increase in investment in associates mainly due to net share of profits arising from improved performance of CSA; and (b) increase in other investment arising from subscription of new shares in CityClinic Asia Investments Pte. Ltd. during the financial year and the fair value adjustment made on the investment.

Current assets decreased by S\$2.5 million from S\$37.4 million as at 31 December 2019 to S\$34.9 million as at 31 December 2020, mainly due to decrease in cash and cash equivalents, trade receivables, prepayments and other receivables of S\$1.7 million, S\$0.4 million, S\$0.3 million and S\$0.1 million respectively.

Current liabilities decreased by S\$11.4 million from S\$40.7 million as at 31 December 2019 to S\$29.4 million as at 31 December 2020, mainly due to: (a) repayment of the Convertible Loan; (b) decrease in the current portion of lease liabilities of S\$0.7 million; (c) decrease in the current portion of loans and borrowings of S\$0.4 million as a result of repayment of bank loans; (d) decrease in trade payables of S\$0.3 million; (e) decrease in other payables and accruals of S\$0.2 million; and (f) payment of all outstanding deferred purchase consideration during the financial year. These decreases were offset by increase in contract liabilities of S\$0.9 million.

Non-current liabilities decreased by S\$4.0 million from S\$11.7 million as at 31 December 2019 to S\$7.7 million as at 31 December 2020, mainly due to decrease in lease liabilities, and loans and borrowings as a result of reclassification from non-current to current during the financial year, offset by new bank loans obtained during the financial year.

Please refer to paragraph 1(d)(ii) for details of increase in share capital.

Statement of Cash Flow

Net cash flows generated from operating activities of S\$20.1 million for FY2020 arose from the operating profit before working capital changes of S\$22.3 million, inflow of working capital of S\$0.3 million and interest received of S\$0.1 million, offset by income tax and interest payment of S\$1.4 million and S\$1.2 million respectively.

Net cash flows used in investing activities of S\$3.4 million for FY2020 were mainly attributed to the purchase of property, plant and equipment and intangible assets of S\$1.4 million and S\$0.2 million respectively, payment of deferred purchase consideration of S\$1.4 million, and other investment of S\$0.4 million.

Net cash flows used in financing activities of S\$18.4 million for FY2020 were mainly from dividends paid of S\$1.9 million, dividends paid to non-controlling interests of S\$0.3 million, purchase of treasury shares of S\$0.1 million, and repayment of Convertible Loan, loans and borrowings and lease payments of S\$10.0 million, S\$5.7 million and S\$4.4 million respectively, offset by proceeds from loans and borrowings of S\$4.0 million.

Cash and cash equivalents was S\$25.6 million as at 31 December 2020, compared to S\$27.3 million as at 31 December 2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic continues to weigh on the Group's operations. While the global vaccination rollout has begun, the long-term economic impact of the pandemic as well as the overall economic outlook remains uncertain. In the near term, subdued macroeconomic activity is likely to impact the private healthcare industry as discretionary consumer spending is expected to slow and remain subdued. This effect will likely have a negative impact on elective medical services within the Group's Diagnostics and Aesthetics Business segment which rely heavily on discretionary consumer expenditure.

The COVID-19 pandemic has also led to a significant and lasting curtailment of the medical tourism industry as border restrictions and lockdowns continue to be enforced in key regional medical tourist markets. With foreign patients historically contributing approximately 15% to 20% of the Group's top line, revenue from various segments of the Group's business continues to be impacted in specialist verticals such as oncology, cardiology and diagnostic imaging due to the significant drop in the number of foreign patients seeking treatment in Singapore. As the situation continues to evolve, it is uncertain as to when or if pre-COVID-19 levels of medical tourists will return to Singapore.

During the second half of FY2020, the Group saw pent up demand returning for elective procedures and aesthetics. However, uncertainty remains on whether this demand will be sustained in 2021. Notwithstanding the challenging business conditions, the Group continues to chart organic growth initiatives in Singapore through the hiring of new specialists and the opening of new clinics. Outside of Singapore, the Group continues to focus on expanding its overseas entities with the recent opening of a third medical centre in the prime District 1 of Ho Chi Minh City, Vietnam and a second Ciputra SMG Eye Clinic in Surabaya, Indonesia.

While the Group continues to explore overseas inorganic growth opportunities in both key and complementary verticals, the COVID-19 pandemic has slowed the progress of these inorganic growth initiatives. Nevertheless, the Group continues to leverage on its strategic partnership with CHA Healthcare Co., Ltd. to explore potential projects in Vietnam, Australia, Singapore and other Asian markets. The Company will announce any material developments if and when appropriate.

11. Dividend

(a) ***Whether an interim (final) ordinary dividend has been declared (recommended); and***

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	0.4 cents per ordinary share
Tax Rate	:	Exempted from tax (One-tier corporate tax system)
Total Amount Payable	:	S\$1,930,443

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	0.4 cents per ordinary share
Tax Rate	:	Exempted from tax (One-tier corporate tax system)
Total Amount Payable	:	S\$1,930,443

(c) ***Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).***

Refer to paragraph 11(a) and 11(b).

(d) ***The date the dividend is payable.***

To be announced later.

(e) ***The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined***

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted in FY2020 is disclosed below.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review	
	31/12/2020 S\$'000	31/12/2019 S\$'000
K S Beng Pte. Ltd. ⁽¹⁾ - Rental	143	188
MW Medical Holdings Pte. Ltd. ⁽²⁾ - Rental	105	162
MW Medical Pte. Ltd. ⁽²⁾ - Nursing services	10	4
CHA Healthcare Singapore Pte. Ltd. ⁽³⁾ - Interest on Convertible Loan	90	202

Notes:

- (1) K S Beng Pte. Ltd. is wholly-owned by an immediate family member of Dr Beng Teck Liang, the Company's Executive Director and Chief Executive Officer, and a substantial shareholder of the Company.
- (2) MW Medical Holdings Pte. Ltd. and MW Medical Pte. Ltd. are owned by Dr Wong Seng Weng, an Executive Director of the Company.
- (3) CHA Healthcare Singapore Pte. Ltd. is a controlling shareholder of the Company.

14. Negative confirmation pursuant to Rule 705(5).

Not applicable as it is not required for announcement on full year results.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

16. Use of proceeds from the Convertible Loan

The net proceeds from the Convertible Loan which was drawn down on 4 June 2019 was approximately S\$9.7 million.

On 8 May 2020, the Company, with the agreement of CHS, repaid the principal amount of the Convertible Loan of S\$10.0 million in full together with an interest of S\$325,000. The repayment of the Convertible Loan was funded using the balance of unutilised net proceeds of S\$8.9 million and internal resources of S\$1.4 million.

	Initial allocation of use of net proceeds S\$ million	Unutilised net proceeds as at 8 May 2020 (being the date of repayment of Convertible Loan) S\$ million	Balance of unutilised net proceeds as at the date hereof S\$ million
(i) Merger and acquisitions	7.8	7.0	-
(ii) General business purposes	1.9	1.9	-
	9.7	8.9	-

The Company did not disburse the net proceeds raised from the Convertible Loan in the manner as initially allocated. As explained in its announcement dated 8 May 2020, the Company is of the view that the early repayment of the Convertible Loan is in the best interest of the Company as it reduced financing costs and such early repayment did not have any adverse effect on the Group's financial position and operations, after taking into consideration the Group's cash balance.

17. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)

Transfer of Shares in a Subsidiary

On 3 December 2020, the Company transferred 8 ordinary shares in its wholly-owned subsidiary, SMG Astra Women's Health Pte. Ltd. ("**AWH**"), representing 8% of the total issued and paid-up capital of AWH, to Dr Fong Yoke Fai ("**Dr Fong**") for a total cash consideration of S\$2 (the "**Share Transfer**") in accordance with the terms and conditions of the Consultancy Agreement entered into between AWH and Dr Fong on 5 October 2017 (the "**Agreement**"). Following the Share Transfer, the Company holds 92% of the issued and paid-up capital of AWH and Dr Fong holds the remaining 8%.

Pursuant to the Agreement, additional 4% of the issued and paid-up capital of AWH will be transferred to Dr Fong at a nominal consideration on the completion of each year of service with AWH, up to a total of 12% over a 3-year period, if performance targets are met.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

18. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

<u>2020</u>	<u>Health</u> S\$'000	<u>Diagnostic & Aesthetics</u> S\$'000	<u>Others</u> S\$'000	<u>Adjustment and Elimination</u> S\$'000	<u>Total</u> S\$'000
Revenue:					
External customers	57,379	29,603	358	-	87,340
Inter-segment	1	1,119	540	(1,660)	-
Total revenue	57,380	30,722	898	(1,660)	87,340
Segment results:					
Segment gross profit ⁴	23,410	14,408	562	(340)	38,040
Depreciation and amortisation ⁵	(877)	(2,250)	(857)	-	(3,984)
(Loss)/Gain on disposal of property, plant and equipment	-	(13)	30	-	17
Share based compensation	-	-	(345)	-	(345)
Impairment loss on trade receivables	(60)	(107)	-	-	(167)
Impairment loss on goodwill	(3,000)	-	-	-	(3,000)
Financial income	9	7	59	-	75
Interest expenses	(261)	(6)	(338)	-	(605)
Amortisation of loan costs	(43)	-	-	-	(43)
Accretion of interest on deferred purchase consideration	(14)	-	-	-	(14)
Accretion of interest on lease liabilities	(59)	(121)	(154)	-	(334)
Share of result of joint ventures and associates	322	131	-	-	453
Unallocated expenses, net					(19,565)
Profit before tax					10,528
2019					
Revenue:					
External customers	62,766	31,803	103	-	94,672
Inter-segment	24	1,261	624	(1,909)	-
Total revenue	62,790	33,064	727	(1,909)	94,672
Segment results:					
Segment gross profit ⁴	26,737	16,424	488	(408)	43,241
Depreciation and amortisation ⁵	(860)	(2,481)	(785)	-	(4,126)
(Loss)/Gain on disposal of property, plant and equipment	(4)	21	(5)	-	12
Share based compensation	-	-	(390)	-	(390)
Gain on dilution of interest in joint venture	29	-	-	-	29
Impairment loss on trade receivables	(45)	(102)	-	-	(147)
Financial income	6	13	81	-	100
Interest expenses	(625)	(202)	(417)	-	(1,244)
Amortisation of loan costs	(45)	-	-	-	(45)
Accretion of interest on deferred purchase consideration	(115)	-	-	-	(115)
Share of result of joint ventures and associates	(105)	378	-	-	273
Unallocated expenses, net					(21,519)
Profit before tax					16,069

⁴ Included in segment gross profit is depreciation of ROU assets of S\$5,340,000 (31/12/2019: S\$5,052,000) relating to the right of use of leased premises of which S\$1,219,000 (31/12/2019: S\$1,209,000), S\$1,395,000 (31/12/2019: S\$1,342,000) and S\$2,726,000 (31/12/2019: S\$2,501,000) are allocated to Health, Diagnostic & Aesthetics and Others segment respectively.

⁵ Included in depreciation and amortisation is depreciation of ROU assets of S\$621,000 (31/12/2019: S\$872,000) relating to the right of use of medical equipment (i.e. assets under hire purchase) of which S\$432,000 (31/12/2019: S\$683,000) and S\$189,000 (31/12/2019: S\$189,000) are allocated to Diagnostics & Aesthetics and Others segment respectively.

19. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 8 for further details.

20. A breakdown of sales

	Group			
	FY2020	FY2019	Increase/(decrease)	
	S\$'000	S\$'000	S\$'000	%
Sales reported for first half year	38,945	44,643	(5,698)	(12.8)
Operating profit after tax before deducting minority interest for first half year	3,483	6,832	(3,349)	(49.0)
Sales reported for second half year	48,395	50,029	(1,634)	(3.3)
Operating profit after tax before deducting minority interest for second half year	5,614	6,803	(1,189)	(17.5)

21. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	1,930 ⁶	1,930 ⁷
Total	1,930	1,930

⁶ Total annual dividend for FY2020 comprises recommended FY2020 final dividend of S\$1,930,000.

⁷ The Company had initially recommended a final dividend for FY2019 of S\$3,863,000 in its announcement dated 24 February 2020. The recommended dividend was subsequently revised to S\$1,930,000 in another announcement dated 24 May 2020 and the dividend of S\$1,930,000 was paid on 15 July 2020.

22. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate statement.

The information pursuant to Rule 704(10) on persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company is as follows:

Name	Age	Remuneration/ Professional fees (S\$'000)	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dr Jimmy Beng Keng Siew	77	120 ^(a)	Father of Dr Beng Teck Liang (Executive Director and Chief Executive Officer)	Medical Director of the urology practice Responsible for performing clinical duties associated with the urology practice and attending to patients since 2014.	None

Note:

(a) The professional fee paid is on a fee sharing basis as provided in the agreement between the Group and Dr Jimmy Beng.

BY ORDER OF THE BOARD

Dr Beng Teck Liang
Chief Executive Officer
19 February 2021

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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.