SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS LTD.
(Incorporated in the Republic of Singapore on 24 November 2011)
(Company Registration Number: 201134046D)

DISCLAIMER OF OPINION BY THE EXTERNAL AUDITORS ON THE GROUP'S AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Board of Directors (the "**Board**") of Singapore Institute of Advanced Medicine Holdings Ltd. (the "**Company**" and together with its subsidiaries, collectively, the "**Group**") wishes to announce that the External Auditors of the Company, Messrs PricewaterhouseCoopers LLP (the "**External Auditors**"), has in their Independent Auditors' Report dated 9 December 2024, issued a disclaimer of opinion ("**Disclaimer Opinion**") on the consolidated audited financial statements of the Company and the Group for the financial year ended 30 June 2024 ("**FY2024**") (the "**Independent Auditors' Report**").

The basis for the Disclaimer Opinion, an extract of which is set out in Appendix A of this announcement, will be contained in the Independent Auditors' Report and is based on, *inter alia*, the following considerations:

A. <u>Going Concern</u>

As described in Note 2.2 to the financial statements, for the financial year ended 30 June 2024, the Group reported a loss after tax of $37,438,812 from continuing operations and net cash used in operating activities amounted to $12,929,823. As at 30 June 2024, the Group's current liabilities exceeded its current assets by $7,886,034.

As at 30 June 2024, the Company has other receivables due from a subsidiary with a carrying amount of $84,322,500 (see Note 3.1(ii)) which accounts for approximately 87% of its total assets. This subsidiary reported a loss after tax of $21,147,017 for the financial year ended 30 June 2024, and its current liabilities exceeded its current assets by $146,552,040 as at 30 June 2024. The Company is dependent on the cash flows from this subsidiary to discharge its liabilities as and when they fall due.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

Notwithstanding this, as disclosed in Note 2.2 to the financial statements, the financial statements have been prepared on a going concern basis as a result of certain key assumptions that have been made which are dependent on the outcome of certain future events which cannot be determined as of the date of the Independent Auditors' Report. These include the ability of the Company to draw down on the financial support and bridging loan as well as to ramp up the radiation therapy business of its subsidiary. The External Auditors have been unable to obtain sufficient appropriate audit evidence to enable them to conclude on the appropriateness of management's use of the going concern assumption in its preparation of the financial statements.

If the going concern assumption is not appropriate, adjustments will need to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could be significantly different from the amounts stated in the statement of financial position of the Group and statement of financial position of the Company. As a result, the Group and the Company may have to provide for further liabilities which may arise, and to classify the non-current assets and non-current liabilities to current assets and current liabilities respectively. The financial statements do not include the adjustments that would result in the event the Group and Company are unable to continue as going concerns.

B. Impairment of property, plant and equipment ("PPE")

As disclosed in Note 3.1(i) to the financial statements, as at 30 June 2024, there were indicators of impairment of PPE based on evidence from internal reporting that the economic performance of each cash generating unit ("**CGU**") of the Group was worse than expected. The carrying amount of PPE of the Group as at 30 June 2024 amounted to $130,411,590, of which $120,712,564 relates to PPE of the radiation therapy services CGU.

Based on the impairment assessment performed as disclosed in Note 3.1(i) to the financial statements, management has determined that no impairment charge is required to be recognised on the carrying amount of its PPE amounting to $130,411,590 as at 30 June 2024.

The External Auditors were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of certain key assumptions used in the determination of the recoverable amount of the radiation therapy services CGU, in particular, the forecasted revenue of proton beam therapy and photon radiation therapy services over the period of the forecast.

Consequently, the External Auditors were unable to determine whether any adjustment to the financial statements in relation to the carrying value of the PPE is necessary.

C. Impairment of the Company's other receivables from a subsidiary

As disclosed in Note 3.1(ii) to the financial statements, included in the Company's other receivables of $87,724,184 (Note 12) is a net carrying amount of $84,322,500 (after an allowance for impairment loss of $59,715,953) which is due from the subsidiary which manages the radiation therapy services CGU.

As the performance of the subsidiary for the financial year ended 30 June 2024 was worse than expected, and the subsidiary was in a net liability position as at 30 June 2024, the Company has determined that there is a significant increase in the credit risk of this subsidiary.

For the financial year ended 30 June 2024, management has determined the amount of $59,715,953 as the lifetime expected credit loss ("**ECL**") on the receivable from this subsidiary and charged this to the profit or loss of the Company. In determining the lifetime ECL, management did not measure the probability-weighted recoverable amount by evaluating a range of possible outcomes and, instead, determined the lifetime ECL on this receivable based on the net liability position of the subsidiary as at 30 June 2024. The External Auditors were unable to determine whether any adjustments to the net liability position of the subsidiary as at 30 June 2024 was necessary due to the matter described above in the abovementioned paragraph *(ii) Impairment of property, plant and equipment*. The External Auditors were unable to satisfy themselves by alternative means as to the carrying amount of the receivable from the subsidiary.

As a consequence of the matters described above, the External Auditors were unable to determine whether any adjustments to the statement of financial position of the Company in relation to the carrying amount of the Company's other receivables from the subsidiary of $84,322,500 is necessary.

Notwithstanding the Disclaimer Opinion, in the preparation of the financial statements, the Board is of the opinion that the use of the going concern assumption is appropriate taking into consideration, *inter alia*, the following grounds, as disclosed in the Company's announcement dated 29 October 2024 relating to the full-year results in respect of the year ended 30 June 2024 (the "**FY2024 Full Yearly Results**") and the FY2024 Consolidated Financial Statements:

- the Company and the Group have drawn down loans from a subsidiary of the controlling shareholder for a total of S$6 million subsequent to the financial year end;
- the Company and the Group expect to be able to obtain further financial support from a subsidiary of the controlling shareholder for an additional S$6 million, if necessary;
- the Company and the Group expect to be able to obtain further financial support from a prominent third party for S$5 million, if necessary;
- the Company and the Group are finalising a bridging loan from a related party of a substantial shareholder for S$5 million, if necessary; and

- Management has evaluated its forecasted cash flows over the next twelve months from the end of the financial year ended 30 June 2024 (including the above inflow of sources of funds) and is of the view that the Company and the Group is able to meet its obligations as and when they fall due.

In addition to the above, the Board wishes to clarify that the nature of the impairment of the PPE, if any, will not have an impact on the Group's cash flows. The amount due from the subsidiary is eliminated on consolidation and impairment, if any, will not have an impact to the Group's cash flows.

As at the date of this announcement, there have been no material changes to the financial situation or the available sources of support for the Group, from that disclosed in the FY2024 Full Yearly Results. If the above-mentioned further financial support comes through and if the management's assumptions of the business performance of the Group and Company materialise, the Board of Directors concur with the management that the Group and the Company has the ability to continue to operate as a going concern for the foreseeable future.

Shareholders and potential investors of the Company are advised to read this announcement in conjunction with the Company's Annual Report in respect of FY2024 in its entirety.

Please refer to Appendix A of this announcement for the basis of the Disclaimer Opinion contained in the Independent Auditors' Report, and Appendix B of this announcement for the extracts from the relevant notes to the consolidated audited financial statements of the Company.

The Independent Auditor's Report and consolidated audited financial statements for FY2024 will form part of the Company's Annual Report in respect of FY2024 which will be released on SGXNet in due course.

Shareholders and potential investors are advised to exercise caution before making any decision in respect of their dealings in the Company's shares. Shareholders and potential investors who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor, or another professional adviser.

The Company will make further announcements on any material updates in relation to the above, as and when appropriate.

BY ORDER OF THE BOARD

Dr Djeng Shih Kien
Executive Director and Chief Executive Officer
9 December 2024

Singapore Institute of Advanced Medicine Holdings Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 16 February 2024. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Appendix A

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of Singapore Institute of Advanced Medicine Holdings Ltd. ("the Company") and its subsidiaries ("the Group"), and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We were engaged to audit the accompanying financial statements of the Group and the Company, which comprise:

- the consolidated statement of financial position of the Group as at 30 June 2024;
- the statement of financial position of the Company as at 30 June 2024;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Disclaimer of Opinion

(i) Going concern

As described in Note 2.2 to the financial statements, for the financial year ended 30 June 2024, the Group reported a loss after tax of $37,438,812 from continuing operations and net cash used in operating activities amounted to $12,929,823. As at 30 June 2024, the Group's current liabilities exceeded its current assets by $7,886,034.

As at 30 June 2024, the Company has other receivables due from a subsidiary with a carrying amount of $84,322,500 (Note 3.1(ii)) which accounts for approximately 87% of its total assets. This subsidiary reported a loss after tax of $21,147,017 for the financial year ended 30 June 2024, and its current liabilities exceeded its current assets by $146,552,040 as at 30 June 2024. The Company is dependent on the cash flows from this subsidiary to discharge its liabilities as and when they fall due.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

Notwithstanding this, as disclosed in Note 2.2 to the financial statements, the accompanying financial statements have been prepared on a going concern basis as a result of certain key assumptions that have been made which are dependent on the outcome of certain future events which cannot be determined as of the date of this report. These include the ability of the Company to draw down on the financial support and bridging loan as well as to ramp up the radiation therapy business of its subsidiary. We have been unable to obtain sufficient appropriate audit evidence to enable us to conclude on the appropriateness of management's use of the going concern assumption in its preparation of the accompanying financial statements.

Basis for Disclaimer of Opinion (Cont'd)

(i) Going concern (Cont'd)

If the going concern assumption is not appropriate, adjustments will need to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could be significantly different from the amounts stated in the statement of financial position of the Group and statement of financial position of the Company. As a result, the Group and the Company may have to provide for further liabilities which may arise, and to classify the non-current assets and non-current liabilities to current assets and current liabilities respectively. The financial statements do not include the adjustments that would result in the event the Group and Company are unable to continue as going concerns.

(ii) Impairment of property, plant and equipment ("PPE")

As disclosed in Note 3.1(i) to the financial statements, as at 30 June 2024, there were indicators of impairment of PPE based on evidence from internal reporting that the economic performance of each cash generating unit ("CGU") of the Group was worse than expected. The carrying amount of PPE of the Group as at 30 June 2024 amounted to $130,411,590, of which $120,712,564 relates to PPE of the radiation therapy services CGU.

Based on the impairment assessment performed as disclosed in Note 3.1(i) to the financial statements, management has determined that no impairment charge is required to be recognised on the carrying amount of its PPE amounting to $130,411,590 as at 30 June 2024.

We were unable to obtain sufficient appropriate audit evidence regarding the reasonableness of certain key assumptions used in the determination of the recoverable amount of the radiation therapy services CGU, in particular, the forecasted revenue of proton beam therapy and photon radiation therapy services over the period of the forecast.

Consequently, we were unable to determine whether any adjustment to the accompanying financial statements in relation to the carrying value of the PPE is necessary.

(iii) Impairment of the Company's other receivables from a subsidiary

As disclosed in Note 3.1(ii) to the financial statements, included in the Company's other receivables of $87,724,184 (Note 12) is a net carrying amount of $84,322,500 (after an allowance for impairment loss of $59,715,953) which is due from the subsidiary which manages the radiation therapy services CGU.

As the performance of the subsidiary for the financial year ended 30 June 2024 was worse than expected, and the subsidiary was in a net liability position as at 30 June 2024, the Company has determined that there is a significant increase in the credit risk of this subsidiary.

For the financial year ended 30 June 2024, management has determined the amount of $59,715,953 as the lifetime expected credit loss ("ECL") on the receivable from this subsidiary and charged this to the profit or loss of the Company. In determining the lifetime ECL, management did not measure the probability-weighted recoverable amount by evaluating a range of possible outcomes and, instead, determined the lifetime ECL on this receivable based on the net liability position of the subsidiary as at 30 June 2024. We were unable to determine whether any adjustments to the net liability position of the subsidiary as at 30 June 2024 was necessary due to the matter described above in section *(ii) Impairment of property, plant and equipment*. We were unable to satisfy ourselves by alternative means as to the carrying amount of the receivable from the subsidiary.

Basis for Disclaimer of Opinion (Cont'd)

(iii) Impairment of the Company's other receivables from a subsidiary (Cont'd)

As a consequence of the matters described above, we were unable to determine whether any adjustments to the statement of financial position of the Company in relation to the carrying amount of the Company's other receivables from the subsidiary of $84,322,500 is necessary.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In view of the significance of the matters referred to in the Basis for Disclaimer Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mark Adam Mathew.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 9 December 2024

Appendix B

Extract of Notes to the Audited Consolidated Financial Statements
for the Financial Year ended 30 June 2024

SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS LTD.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2024

2. Material accounting policy information

2.2 Going concern

For the financial year ended 30 June 2024, the Group reported a loss after tax of $37,438,812 from continuing operations and net cash used in operating activities of $12,929,823. As at 30 June 2024, the Group's current liabilities exceeded its current assets by $7,886,034.

As at 30 June 2024, the Company has other receivables due from a subsidiary with a carrying amount of $84,322,500 (Note 3.1(ii)) which accounts for approximately 87% of its total assets. This subsidiary reported a loss after tax of $21,147,017 for the financial year ended 30 June 2024, and its current liabilities exceeded its current assets by $146,552,040 as at 30 June 2024. The Company is dependent on the cash flows from this subsidiary to discharge its liabilities as and when they fall due.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

The accompanying financial statements have been prepared on a going concern basis as a result of certain key assumptions that have been made which are dependent on the outcome of certain future events. These include the ability of the Company to draw down on the financial support and bridging loan as well as to ramp up the radiation therapy business as follows:

- the Group and Company has drawn down loans from a subsidiary of the controlling shareholder for a total of $6 million subsequent to the financial year end;
- the Group and Company expects to be able to obtain further financial support from a subsidiary of the controlling shareholder for an additional S$6 million, if necessary;
- the Group and Company expects to be able to obtain further financial support from a prominent third-party for S$5 million, if necessary;
- the Group and Company is finalising a bridging loan from a related party of a substantial shareholder for S$5 million, if necessary; and
- management has evaluated its forecasted cash flows over the next twelve months from the end of the financial year ended 30 June 2024 (including the above inflow of sources of funds) and is of the view that the Group and the Company are able to meet their obligations as and when they fall due. The key assumptions underlying the forecasted cash flows include the Group's ability to ramp up the radiation therapy business of its subsidiary (which includes proton beam therapy and photon radiation therapy) over the next twelve months from the end of the financial year ended 30 June 2024 ("FY2024") as follows:

  - Revenue from proton beam therapy for the financial year ending 30 June 2025 ("FY2025") is projected to increase by 603%* compared to FY2024.
  - Revenue from photon radiation therapy for FY2025 is projected to increase by 313%* compared to FY2024.

  * Assumes an increase in both volume of patients and average fees per patient.

2. Material accounting policy information (Cont'd)

2.2 Going concern (Cont'd)

If the above-mentioned further financial support comes through and if the management's assumptions of the business performance of the Group and Company materialise, the Board of Directors concur with the management that the Group and the Company has the ability to continue to operate as a going concern for the foreseeable future.

If the going concern assumption is not appropriate, adjustments will need to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could be significantly different from the amounts stated in the statement of financial position of the Group and statement of financial position of the Company. As a result, the Group and the Company may have to provide for further liabilities which may arise, and to classify the non-current assets and non-current liabilities to current assets and current liabilities respectively. The financial statements do not include the adjustments that would result in the event the Group and Company are unable to continue as going concerns.

3. Critical accounting estimates, assumptions and judgements

3.1 Critical accounting estimates and assumption

(i) *Impairment assessment of property, plant and equipment ("PPE") of the Group*

As at 30 June 2024, there were indicators of impairment of PPE based on evidence from internal reporting that the economic performance of each cash generating unit ("CGU") of the Group was worse than expected. The carrying amount of PPE of the Group as at 30 June amounted to $130,411,590.

For the financial year ended 30 June 2024, the Group has the following CGUs:

- Radiation therapy services – where the Group primarily provides its proton beam therapy and photon radiation therapy services;
- Imaging services – where the Group primarily provides its diagnostic imaging services; and
- General practitioner services - where the Group primarily provides general medical services, including wellness, aesthetics, cardiology, imaging, and endoscopy.

For the purposes of impairment testing, the recoverable amount of each CGU has been determined based on the higher of its value-in-use ("VIU") and fair value less cost of disposal ("FVLCD"), with the assistance of an external professional valuer, as follows:

<u>Radiation therapy services CGU</u>

The radiation therapy services CGU of the Group comprise the majority of the carrying value of the assets of the Group which includes PPE amounting to $120,712,564. The services provided by this CGU primarily relate to proton beam therapy and photon radiation therapy services. The Group commenced providing proton beam therapy services upon receipt of the licence from Ministry of Health on 12 June 2023.

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.1 Critical accounting estimates and assumption (Cont'd)

(i) *Impairment assessment of property, plant and equipment ("PPE") of the Group* (Cont'd)

Radiation therapy services CGU (Cont'd)

The recoverable amount of the radiation therapy services CGU was determined based on a VIU calculation and the key assumptions used in the VIU calculation are as follows:

- Revenue growth rates:
  - The compounded annual growth rate ("CAGR") for the 5-year forecast period from FY2025 to FY2029 for revenue from proton beam therapy will approximate 85%* per annum.
  - The CAGR for the 5-year forecast period from FY2025 to FY2029 for revenue from photon radiation therapy will approximate 84%* per annum.

  *Assumes an increase in both volume of patients and average fees per patient.

- The discount rate applied for the forecast period is 11%.

Based on the VIU calculation described above, management determined that no impairment was deemed necessary in relation to the radiation therapy services CGU for the financial year ended 30 June 2024.

A reasonable possible change applied individually to any of the key assumptions adopted by management in its VIU calculation would have resulted in an impairment charge being required for the financial year ended 30 June 2024 as follows:

Key assumptions	Reasonable possible change to the key assumptions adopted by management	Impairment charge that would have been made on the carrying amount of the assets in the CGU ($'000)
Revenue growth – proton beam therapy	10% lower	10,982
Revenue growth – photon radiation therapy	10% lower	7,771
Discount rate	1% higher	22,558

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.1 Critical accounting estimates and assumption (Cont'd)

(i) *Impairment assessment of property, plant and equipment ("PPE") of the Group* (Cont'd)

Imaging services and general practitioner services CGUs

The recoverable amounts of the imaging services and general practitioner services CGUs were determined based on the FVLCD method using the earnings multiple approach which is classified as a Level 3 fair value measurement. The key assumption in this method relates to the multiple adopted in the valuation. The earnings before interest, tax, depreciation and amortization ("EBIDTA") are based on the actual performance of the CGUs for the financial year ended 30 June 2024. The multiples for each CGU are based on implied multiples of selected comparable companies as follows:

- Imaging services – Multiple of 12.2 to EBIDTA
- General practitioner services – Multiple of 4.5 times to EBIDTA

Management determined that a reasonable possible change of 10% to the multiple adopted for each of these CGUs would not have resulted in an impairment being required for either of the CGUs for the financial year ended 30 June 2024.

(ii) *Impairment of the Company's other receivables from a subsidiary*

For other receivables from subsidiaries, the Company applies either a 12-month expected credit loss ("ECL") or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured based on lifetime ECL.

As at 30 June 2024, included in the Company's other receivables of $87,724,184 (Note 12) is a net carrying amount of $84,322,500 (after an allowance for impairment loss of $59,715,953) which is due from the subsidiary which manages the radiation therapy services CGU.

As the performance of the subsidiary for the financial year ended 30 June 2024 was worse than expected, and the subsidiary was in a net liability position as at 30 June 2024, the Company has determined that there is a significant increase in the credit risk of this subsidiary.

For the financial year ended 30 June 2024, management has determined the amount of $59,715,953 as the lifetime expected credit loss ("ECL") on the receivable from this subsidiary and charged this to the profit or loss of the Company. In determining the lifetime ECL, management did not measure the probability-weighted recoverable amount by evaluating a range of possible outcomes, and, instead, determined the lifetime ECL on this receivable based on the net liability position of the subsidiary as at 30 June 2024.

Following management's impairment assessment, the carrying amount of the receivable from this subsidiary amounted to $84,322,500 as at 30 June 2024.