SINGAPORE MEDICAL GROUP LIMITED
(Company Registration No.: 200503187W)

RESPONSE TO SGX QUERIES

The Board of Directors (the "**Board**") of Singapore Medical Group Limited (the "**Company**" together with its subsidiaries, the "**Group**") wishes to announce the Company's responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the Company's half year unaudited financial statements for the period ended 30 June 2021 (the "**Result Announcement**"). *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Company's Result Announcement.*

	SGX Queries	**Company's Response**
(1)	Please disclose the nature of non-current other receivables amounting to S$2,843,000 and the Board's assessment of the recoverability of the amount.	The nature of non-current other receivables as at 30 June 2021 is as follows: **S$'000** Refundable deposits placed with landlords 1,576 Loans to a joint venture entity [a] 1,267 2,843 *[a] Loans to a joint venture entity are unsecured, non-interest bearing and repayable on demand. These loans are not expected to be repaid within the next 12 months.* The Board does not expect any significant credit losses arising from non-current other receivables.
(2)	Please explain why interest income amounted to only S$19,000 for the six-month financial period ended 30 June 2021 when the Company has significant cash and bank balance amounting to S$24,665,000.	Due to the low interest environment in Singapore, local banks have generally reduced its interest rate or ceased paying interest for working capital deposited with the banks. Accordingly, the interest income only amounted to S$19,000 for the six-month period ended 30 June 2021.
(3)	Please disclose the nature of other payables and accruals in the current liabilities category amounting to S$9,866,000 as at 30 June 2021. Please also provide a breakdown and disclose the aging; and whether the counterparties are related parties.	The nature of current other payables and accruals as at 30 June 2021 is as follows: **S$'000** Goods and services tax payable, net 1,029 Accrued operating expenses [b] 7,179 Loan from a joint venture entity 109 Sundry creditors [c] 1,549 9,866 *[b] Accrued operating expenses are accruals made for salaries, employee performance bonuses, professional service fees, and purchases of medications, consumables and services where the suppliers' invoices have not been received as at 30 June 2021.* *[c] Sundry creditors are mainly aged less than 120 days and comprise amounts due to vendors that provide various services such as marketing, repair & maintenance, legal & professional services, etc and equipment suppliers and contractors.*

(4)	Please provide the reason(s) for the significant loans and borrowings of S$6,146,000 by the Group when the Group recorded a cash and cash equivalent of S$24,665,000 as at 30 June 2021.	Loans and borrowings as at 30 June 2021 comprises: **S$'000** Bank loans for acquisition of subsidiaries [1] 2,738 Bank loan for working capital [2] 3,408 6,146 [1] These fixed term loans were obtained to pay the cash consideration for the acquisition of subsidiaries in 2017. These loans will be fully repaid in 2022. [2] In view of the negative impact brought by COVID-19 in the second quarter of 2020, the Group secured the working capital loan in the second half of 2020. This loan is repayable over a 5-year period.
(5)	Please provide the reason(s) for the significant (i) trade payables and (ii) other payables and accruals amounting to S$1,981,000 and S$9,866,000 respectively when the Group recorded a cash and cash equivalent of S$24,665,000 as at 30 June 2021. Please further disclose a breakdown of (i) trade payables and (ii) other payables and accruals as at 30 June 2021.	The Group's trade payables, and other payables and accruals mainly arise as a result of its business operations. Trade payables are amounts due to suppliers of medications, consumables and other medical services such as laboratory and diagnostic imaging. The outstanding trade payables as at 30 June 2021 are mainly within the credit terms of 30 to 90 days and will be settled in accordance with the credit terms. Non-current other payables and accruals of S$408,000 comprise provision for reinstatement of office or clinic premises to its original state at the end of the lease term. Please refer to SGX Query (3) above for the breakdown of current other payables and accruals.

By Order of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
25 August 2021

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*This announcement has been prepared by Singapore Medical Group Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules 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 accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.