ASIAMEDIC LIMITED

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(Incorporated in the Republic of Singapore)
(Company Registration No. 197401556E)

ANNUAL GENERAL MEETING TO BE HELD ON 24 APRIL 2025
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS

The board of directors (the "**Board**") of AsiaMedic Limited (the "**Company**" or "**AsiaMedic**", and together with its subsidiaries, the "**Group**") refers to the Company's Annual Report for the financial year ended 31 December 2024 ("**Annual Report 2024**") and the Notice of Annual General Meeting ("**AGM**") dated 1 April 2025 in relation to the AGM to be convened and held at NTUC Centre, 1 Marina Boulevard, Level 10, One Marina Boulevard, Singapore 018989 on Thursday 24 April 2025 at 3.00 p.m., both of which were issued by the Company on 1 April 2025.

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Annual Report 2024.

The Company wishes to thank all shareholders who have submitted their questions ahead of the AGM. Please refer to the Appendix which sets out the Company's responses to substantial and relevant questions relating to the AGM resolutions received from shareholders. Where questions overlap or are closely related, they have been consolidated and rephrased for clarity.

Dated this 18 April 2025

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Company Secretary

This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte. Ltd. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.
The contact person for the Sponsor is Ms. Pauline Sim, Head of Corporate Finance, at 3 Shenton Way, #24-02, Singapore 068805, telephone (65) 6319 4954.

APPENDIX

1. **How does the Company intend to address liquidity risks, given the persistent volatility in daily trading volumes and recent sell-offs that have exerted downward pressure on the share price?**

The Company acknowledges shareholders' interest in understanding our approach to market liquidity. While we do not comment on share price movements, we remain focused on strengthening business fundamentals and delivering consistent operational performance.

We are working to enhance earnings by growing recurring revenue streams, improving cost efficiency, and delivering more consistent financial performance, while maintaining active and transparent communication with the investment community. We believe these efforts will provide investors with greater clarity in the Company's long-term growth trajectory.

The Company remains committed to building a resilient, well-governed, and value-creating business for the long term.

2. **With the current price-to-book (P/B) ratio at 0.81x suggesting potential undervaluation, is the lack of investor confidence due to an absence of clear growth catalysts?**

While the price-to-book (P/B) ratio can be one indicator of valuation, it should be considered alongside other financial and strategic factors. A ratio below 1.0x does not necessarily reflect a lack of investor confidence but may instead point to broader market sentiment or timing mismatches between price and fundamentals.

In recent years, the Company has invested meaningfully in long-term growth — including the acquisition of advanced medical equipment, the opening of our new Novena Centre to expand imaging capacity, and increased participation in government health initiatives. These initiatives are already contributing to revenue growth and operational leverage, and we expect their impact to become more evident as scale builds and financial performance strengthens further.

While we recognise that sustained, material improvements in earnings are often necessary to shift market perception, we remain focused on delivering consistent results and unlocking value over time.

3. **Given the Company's debt-to-equity ratio of 125%–148%, what measures are being taken to manage refinancing risks, especially in the current high-interest rate environment?**

As at 31 December 2024, the Group's debt-to-equity ratio was 1.25 times where "debt" included lease liabilities recognised under SFRS(I) 16, which represent contractual rental commitments rather than conventional interest-bearing debt.

The Group's total borrowings as at 31 December 2024 amounted to S$21 million (comprising S$2.4 million current and S$18.8 million non-current). Total borrowings comprise (i) approximately **S$12 million** which relates to lease obligations for premises, including the new Novena centre; and (ii) approximately **S$8 million** used for the purchase of new medical equipment, mainly to support our expansion, with a portion also allocated to upgrading existing centres. These borrowings are aligned with our strategic plans to enhance service capacity and drive future revenue growth.

A substantial portion of the borrowings is tied to fixed premises lease arrangements, and the Group does not rely heavily on short-term financing. As such, the Company is not significantly exposed to refinancing risks associated with rising interest rates. In addition, the Company maintains a prudent capital structure and continue to monitor market developments. Where appropriate, we will explore refinancing or restructuring options to further optimise our debt profile.

4. **Net profit margin declined to 3.47% in FY2024, which is significantly lower than industry peers such as Raffles Medical Group (12%–15%). Are there ongoing cost optimisation plans to improve profitability?**

   The Company acknowledges shareholders' concerns regarding profitability and remains focused on improving margin performance. Comparisons with other listed healthcare groups may not be directly meaningful, given differences in business scale, operating model, revenue mix, cost structures and margin profiles. AsiaMedic's portfolio is focused on diagnostic imaging, health screening, primary care, and aesthetic services.

   A key part of our strategy moving forward is to address the underlying cost pressures that have impacted margins in recent times. We are actively implementing a series of cost optimisation initiatives, which include refining operational efficiencies across our clinics and centres, streamlining administrative functions, and exploring opportunities to reduce procurement and overhead costs.

   The FY2024 results also reflect the initial setup costs for the new Novena Centre, which contributed to short-term margin pressure. As operations ramp up, we expect to benefit from improved utilisation and operating leverage. At the same time, we are working to strengthen revenue quality through improvements in service mix, pricing, and productivity. These efforts are part of our broader commitment to deliver sustainable, long-term profitability without compromising clinical quality or patient care

5. **How does the Company differentiate itself from competitors offering AI-driven diagnostic platforms (e.g., Holmusk, DocDoc)?**

   The Company recognises that AI-driven diagnostic platforms such as Holmusk and DocDoc operate in different segments of the healthcare space, focusing on digital health analytics and AI-driven doctor discovery, respectively.

   AsiaMedic differentiates itself through its integrated, in-person healthcare services, combining diagnostics, health screening, primary care, and aesthetics. Our approach is built around direct clinical engagement and personalised patient care, supported by technology where it adds value.

   While we are not a purely technology platform, we actively adopt AI and digital tools to boost productivity, enhance quality, and accelerate service delivery. For example, our imaging machines are embedded with AI to improve scan quality and speed, and we use AI-enabled tools in report generation to enhance accuracy, efficiency, and turnaround time. Ultimately, our focus is on combining medical expertise with the right technology to deliver better health experience.

6. **Are there plans to expand into higher-margin services such as oncology imaging or medical tourism, or to explore partnerships in digital health?**

   The Company's current focus is on consolidating operations and ramping up activity at the newly opened centre at Novena. At this stage, there are no immediate plans for acquisitions or new service expansions within FY2025. However, we remain open to exploring strategic opportunities — including potential partnerships or service extensions — where they align with our capabilities and long-term objectives. Any such initiatives will be evaluated carefully in the context of our financial position and operational priorities.

7. **Given the negative free cash flow in recent quarters, how does the Company plan to balance reinvestment needs with strengthening the balance sheet?**

   The Company announces its financial results on a half-yearly basis (instead of quarterly) in accordance with SGX Catalist requirements. While Free Cash Flow (FCF) may vary period-to-period due to the timing of capital investments, the Group recorded a positive FCF of S$0.7 million for FY2024. The variance in certain months was primarily due to timing of planned capital expenditure related to the setup of our new centre at Novena and purchase of medical equipment. With the completion of major capital projects, CAPEX is expected to moderate in the near term. The Company remains focused on improving operating cash flows while maintaining financial prudence. Reinvestment decisions will be carefully assessed to ensure alignment with long-term value creation and balance sheet strength.

8. **As ESG becomes increasingly important to healthcare investors, how is AsiaMedic addressing sustainability priorities such as medical waste reduction and the ethical use of technology?**

   The Company acknowledges that ESG considerations are becoming increasingly important to healthcare investors. The Company has remained compliant with all relevant sustainability regulations to date and continues to uphold responsible business practices.

   In 2025, we have started taking active steps to strengthen our ESG approach, including conducting a materiality assessment to better understand and prioritise areas most relevant to our business and stakeholders. This will form the basis for a more structured and transparent sustainability framework moving forward. The Company will publish its Sustainability Report FY2024 before the end of this month, outlining our progress and next steps in greater detail.

9. **Will the Company consider holding an investor briefing to provide shareholders with greater clarity on its strategic direction and address recent concerns?**

   The Company appreciates shareholders' interest in greater transparency and engagement. While there are no immediate plans to convene a separate investor briefing, we remain committed to clear and timely communication with our shareholders.

   In addition to announcements of financial results and the convening of Annual General Meeting (AGM), the Company provides updates on all material developments via SGXNet. We are also open to considering additional communication initiatives where appropriate. Shareholders are welcome to submit questions through our designated investor relations channels, and we will continue to maintain an open and transparent dialogue with the investment community.

10. **Does the Company intend to share a medium term turnaround plan, including specific targets such as debt reduction and improvement in return on equity (ROE)?**

    The Group achieved a record revenue of S$28.9 million for FY2024, representing a 23% increase from S$23.6 million in FY2023, while remaining profitable. This marks our fourth consecutive year of revenue growth, and the Group has remained profitable since FY2021. These results reflect the success of our strategic initiatives, expansion efforts, and our commitment to delivering quality healthcare services across all segments.

    Borrowings increased in FY2024 mainly due to the purchase of new medical equipment and renovation works, particularly for our new centre in Novena. These investments are critical for strengthening our market position and enabling future growth.

    Despite the higher borrowings, the Group maintained a steady financial foundation, with net assets rising by 28% to S$16.9 million as at 31 December 2024. This was supported by a healthy cash balance of S$8.0 million and net operating cash inflow of S$2.5 million for the year.

    Given the Group's financial performance and healthy balance sheet, we believe our current strategy is delivering results and placing us on a sustainable growth trajectory. As such, we do not view a turnaround plan as necessary at this stage.

    We continue to monitor key financial metrics such as gearing ratio, and our disciplined approach to capital allocation and debt management remains central to our long-term strategy. As our growth initiatives continue to scale, we believe they will contribute meaningfully to long-term value creation for shareholders.

11. **Will the Company evaluate strategic options such as the divestment of non-core assets (e.g. aesthetic clinics) or consider potential privatisation opportunities to enhance shareholder value?**

    The Company continually reviews its portfolio of businesses to ensure alignment with strategic objectives and long-term value creation. This includes assessing the performance and potential of each business segment, including non-core operations.

    While no decisions have been made, the Company remains open to exploring strategic options — including mergers, divestments, or other restructuring initiatives — where they are deemed feasible and in the best interests of shareholders. Any material developments will be announced in accordance with SGX listing requirements.