



SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore on 24 November 2011)
(Company Registration Number: 201134046D)

RESPONSES TO SGX REGCO'S QUERIES RECEIVED ON 21 MARCH 2024

The Board of Directors (the "**Board**" or "**Directors**") of Singapore Institute of Advanced Medicine Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 17 March 2024 (the "**Announcement**") in relation to the proposed repayment of Loans via the allotment and issue of an aggregate of 37,777,777 new ordinary shares in the capital of the Company (collectively, the "**Repayment Shares**") to the Lenders.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.

The Company's responses to the queries received from the Singapore Exchange Regulation ("**SGX RegCo**") on 21 March 2024 are set out below.

Query 1: Please elaborate on the bases in the Board's decision to repay the loans via issuances of share and explain how this is in the best interest of shareholders. Your response to this should include the Board's assessment having regard to the resources available to the Company such as IPO proceeds, cash balances and banking facilities prevailing or available to the Company; as well as the prevailing market price of the Company's shares.

Company's response

For the avoidance of doubt, the Company had disclosed its intention to repay the Loans by way of the allotment and issue of Shares in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" of the Offer Document (specifically, page 121).

The Board is of the view that the repayment of the principal amounts of the Loans to the Lenders by way of the allotment and issue of Repayment Shares ("**Share Repayment**") is beneficial for the Group as it will conserve cash to improve the Group's cash flow and increase working capital available to the Group to fund the other anticipated working capital requirements of the Group (including meeting general overheads, financing requirements and other operating expenses), and thus strengthen the Group's financial position. Please refer to paragraph 2.4 of the Announcement for further details.

By eliminating the need for cash repayment from internal cash resources and/or external borrowings, the Share Repayment allows the Group to focus its balance IPO Net Proceeds on funding (i) other anticipated working capital requirements of the Group and (ii) the acquisition of new equipment and facilities and upgrading of systems, to further build shareholder value for the Company.

In addition, where the issue price of the Repayment Shares is lower than the Invitation Price of S\$0.23 per invitation share, such proportion of the Repayment Shares issued to each Lender representing the profit portion of his/her Shares in the Company will be subject to a moratorium from the date of conversion of the Lenders' respective Loans until the date falling 12 months thereafter. Please refer to the section entitled

“Ownership Structure – Moratorium – Other Lock-Up Investors” of the Offer Document and paragraphs 2.1 and 2.3 of the Announcement for further details.

Query 2: The Company was listed on Catalist on 16 February 2024, raising S\$21.7 million in IPO proceeds. Based on the Company’s announcement of 15 March 2024, the Company has utilised \$15 million and \$2.6 million of the IPO proceeds for repayment of bank loans and working capital respectively. Accordingly, a balance of S\$4.1 million of IPO proceeds remain unutilised.

- (a) At the time of the IPO, why did the Company not consider raising funds for repayment of the Loans given that the repayment deadline for the Loans falls due shortly after the IPO?
- (b) Why did the Company not consider utilizing the balance IPO proceeds for repayment of the Loans?
- (c) Did the Company consider other sources of funding to repay the Loans?

Company’s response to (a) and (b)

Given the broader macroeconomic climate which adversely impacted fundraising in the equity capital markets, the Company decided to take a cautious approach in determining the amount to be raised from the Initial Public Offering of the Company, i.e., net proceeds of S\$21.7 million. The Board considered the options for repayment of the Loans via the Share Repayment or cash per the respective Loan Agreements, and determined that the net proceeds raised from the Initial Public Offering of the Company on the Catalist (“**IPO Net Proceeds**”) would be better utilised for repayment of existing bank borrowings and capital expenditures in accordance with the intended use of IPO Net Proceeds as set out in the section entitled “Use of Proceeds and Listing Expenses” of Offer Document and the Company’s announcement dated 15 March 2024, which was allocated for the:

- (i) Repayment of bank borrowings
- (ii) Working capital
- (iii) Acquisition of new equipment and facilities and upgrading of systems

As set out in paragraph 2.4 of the Announcement and the Company’s response to query 1 above, the Company is of the view that the Share Repayment, rather than by utilising the IPO Net Proceeds, is beneficial for the Group as it will conserve cash to improve the Group’s cash flow and increase working capital available to the Group to fund the other anticipated working capital requirements of the Group (including meeting general overheads, financing requirements and other operating expenses).

Please refer to the Company’s response to query 1 for further details on the Board’s decision on the Share Repayment instead of cash repayment utilising the IPO Net Proceeds.

Company’s response to (c)

The Company did not consider obtaining other sources of funding to repay the Loans, in view of other commercial considerations such as potential restrictions which may be imposed in connection with loan facilities.

BY ORDER OF THE BOARD

Dr Djeng Shih Kien
Executive Director and Chief Executive Officer
25 March 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").

This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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.

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