



**Singapore Medical Group Limited and  
its Subsidiaries**

(Company Registration No. 200503187W)

Unaudited Interim Condensed Financial Statements  
For the six-month financial period and full financial year ended  
31 December 2021

## Singapore Medical Group Limited and its Subsidiaries

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**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed consolidated statement of comprehensive income  
For the six-month financial period and full financial year ended 31 December 2021**

	Note	Group					
		6-month ended			Full year ended		
		31.12.2021	31.12.2020	Increase/ (decrease) %	31.12.2021	31.12.2020	Increase/ (decrease) %
		\$'000	\$'000		\$'000	\$'000	
Revenue	4	51,158	48,395	5.7	100,840	87,340	15.5
Cost of sales		(29,175)	(26,268)	11.1	(56,580)	(49,300)	14.8
<b>Gross profit</b>		<b>21,983</b>	<b>22,127</b>	<b>(0.7)</b>	<b>44,260</b>	<b>38,040</b>	<b>16.4</b>
Finance income		11	15	(26.7)	30	75	(60.0)
Other income		69	13	430.8	104	93	11.8
Other gain/(loss)		1,500	(3,000)	N.M	1,500	(3,000)	N.M
Distribution and selling expenses		(1,761)	(1,648)	6.9	(3,524)	(3,386)	4.1
Administrative expenses		(13,144)	(11,387)	15.4	(24,705)	(20,751)	19.1
Finance expenses		(201)	(160)	25.6	(493)	(996)	(50.5)
Share of results of joint ventures and associates		669	473	41.4	898	453	98.2
<b>Profit before tax</b>	5	<b>9,126</b>	<b>6,433</b>	<b>41.9</b>	<b>18,070</b>	<b>10,528</b>	<b>71.6</b>
Income tax expense	7	(1,137)	(819)	38.8	(2,354)	(1,431)	64.5
<b>Profit for the period/year</b>		<b>7,989</b>	<b>5,614</b>	<b>42.3</b>	<b>15,716</b>	<b>9,097</b>	<b>72.8</b>
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences		(233)	258	N.M	(362)	384	N.M
		(233)	258	N.M	(362)	384	N.M
<i>Items that will not be reclassified to profit or loss</i>							
Net (loss)/gain on equity instrument designated at fair value through other comprehensive income ("FVOCI")	19	(627)	1,353	N.M	(1,211)	1,353	N.M
		(627)	1,353	N.M	(1,211)	1,353	N.M
<b>Other comprehensive income for the period/year, net of tax</b>		<b>(860)</b>	<b>1,611</b>	<b>N.M</b>	<b>(1,573)</b>	<b>1,737</b>	<b>N.M</b>
<b>Total comprehensive income for the period/year</b>		<b>7,129</b>	<b>7,225</b>	<b>(1.3)</b>	<b>14,143</b>	<b>10,834</b>	<b>30.5</b>
<b>Profit attributable to:</b>							
Owners of the Company		8,418	5,276	59.6	15,608	8,730	78.8
Non-controlling interests		(429)	338	N.M	108	367	(70.6)
		<b>7,989</b>	<b>5,614</b>	<b>42.3</b>	<b>15,716</b>	<b>9,097</b>	<b>72.8</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		7,558	6,887	9.7	14,035	10,467	34.1
Non-controlling interests		(429)	338	N.M	108	367	(70.6)
		<b>7,129</b>	<b>7,225</b>	<b>(1.3)</b>	<b>14,143</b>	<b>10,834</b>	<b>30.5</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>							
Basic	8	1.74	1.09		3.23	1.81	
Diluted	8	1.74	1.09		3.22	1.81	

N.M: Not meaningful

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements.

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed balance sheets  
As at 31 December 2021**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	8,765	6,755	544	653
Intangible assets	11	123,976	123,912	98	193
Right-of-use assets		10,874	9,902	5,761	3,983
Investment in subsidiaries		-	-	142,670	133,397
Investment in joint ventures		2,249	1,738	1,376	2,156
Investment in associates		17,537	6,721	11,285	6,395
Other investment	12	-	3,041	-	3,041
Other receivables	13	1,639	2,828	850	787
Deferred tax assets		829	730	384	286
		<u>165,869</u>	<u>155,627</u>	<u>162,968</u>	<u>150,891</u>
<b>Current assets</b>					
Inventories		1,961	1,828	-	-
Trade receivables		5,822	5,268	-	-
Prepayments		895	703	60	50
Other receivables	13	526	1,489	76	216
Due from related companies		-	-	15,645	12,289
Cash and bank balances		26,618	25,623	2,521	4,515
		<u>35,822</u>	<u>34,911</u>	<u>18,302</u>	<u>17,070</u>
<b>Total assets</b>		<u>201,691</u>	<u>190,538</u>	<u>181,270</u>	<u>167,961</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		2,075	1,886	2	2
Other payables and accruals	13	12,462	11,964	929	632
Contract liabilities		3,196	2,945	-	-
Due to related companies		-	-	9,633	7,764
Lease liabilities		4,804	5,134	2,755	2,103
Loans and borrowings		1,494	5,307	817	801
Income tax payable		2,294	2,132	-	-
		<u>26,325</u>	<u>29,368</u>	<u>14,136</u>	<u>11,302</u>
<b>Net current assets</b>		<u>9,497</u>	<u>5,543</u>	<u>4,166</u>	<u>5,768</u>
<b>Non-current liabilities</b>					
Other payables and accruals	13	408	408	212	212
Due to related companies		-	-	3,468	6,599
Lease liabilities		5,700	3,343	3,169	1,633
Loans and borrowings		2,188	3,649	2,188	3,006
Deferred tax liabilities		532	259	-	-
		<u>8,828</u>	<u>7,659</u>	<u>9,037</u>	<u>11,450</u>
<b>Total liabilities</b>		<u>35,153</u>	<u>37,027</u>	<u>23,173</u>	<u>22,752</u>
<b>Net assets</b>		<u>166,538</u>	<u>153,511</u>	<u>158,097</u>	<u>145,209</u>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed balance sheets  
As at 31 December 2021**

		Group		Company	
	Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital	15	121,028	119,838	121,028	119,838
Treasury shares	16	(50)	(89)	(50)	(89)
Retained earnings		46,741	32,304	36,266	23,168
Share option reserve		853	939	853	939
Foreign currency translation reserve		(623)	(261)	-	-
Fair value reserve		-	1,353	-	1,353
		167,949	154,084	158,097	145,209
Non-controlling interests		(1,411)	(573)	-	-
Total equity		166,538	153,511	158,097	145,209
Total equity and liabilities		201,691	190,538	181,270	167,961

*The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements.*

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed statements of changes in equity  
For the full financial year ended 31 December 2021**

Group	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000		
<b>2021</b>								
At 1 January 2021	119,838	(89)	32,304	939	(261)	1,353	(573)	153,511
Profit for the year	-	-	15,608	-	-	-	108	15,716
<u>Other comprehensive income</u>								
Foreign currency translation differences	-	-	-	-	(362)	-	-	(362)
Fair value loss on equity instrument designated at FVOCI	-	-	-	-	-	(1,211)	-	(1,211)
Re-designation of equity instrument designated at FVOCI as investment in associates	-	-	142	-	-	(142)	-	-
Other comprehensive income for the year, net of tax	-	-	142	-	(362)	(1,353)	-	(1,573)
Total comprehensive income for the year	-	-	15,750	-	(362)	(1,353)	108	14,143
<u>Contributions by and distributions to owners</u>								
Issue of shares	72	-	-	(17)	-	-	-	55
Share issuance expenses	(23)	-	-	-	-	-	-	(23)
Treasury shares re-issued pursuant to SMG Share Plan	50	39	-	(89)	-	-	-	-
Share-based payment transactions	-	-	-	233	-	-	-	233
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	-	(1,930)
Dividends paid by subsidiaries	-	-	-	-	-	-	(1,040)	(1,040)
Total contributions by and distributions to owners	99	39	(1,930)	127	-	-	(1,040)	(2,705)
<u>Changes in ownership interests in subsidiaries</u>								
Shares issued for acquisition of subsidiary (Note 20)	1,091	-	-	-	-	-	-	1,091
Transfer of interests in subsidiaries without a change in control	-	-	(110)	-	-	-	110	-
Dilution of interests in subsidiaries without a change in control	-	-	514	-	-	-	(16)	498
Total changes in ownership interests in subsidiary	1,091	-	404	-	-	-	94	1,589
Total transactions with owners in their capacity as owners	1,190	39	(1,526)	127	-	-	(946)	(1,116)
<u>Others</u>								
Expiry of employee share options	-	-	213	(213)	-	-	-	-
Total others	-	-	213	(213)	-	-	-	-
<b>At 31 December 2021</b>	<b>121,028</b>	<b>(50)</b>	<b>46,741</b>	<b>853</b>	<b>(623)</b>	<b>-</b>	<b>(1,411)</b>	<b>166,538</b>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed statements of changes in equity  
For the full financial year ended 31 December 2021**

Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Share option reserve \$'000	Equity component of convertible loan \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2020</b>										
At 1 January 2020	119,789	(42)	25,566	680	603	(645)	-	145,951	(702)	145,249
Profit for the year	-	-	8,730	-	-	-	-	8,730	367	9,097
<u>Other comprehensive income</u>										
Foreign currency translation differences	-	-	-	-	-	384	-	384	-	384
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	-	-	1,353	1,353	-	1,353
Other comprehensive income for the year, net of tax	-	-	-	-	-	384	1,353	1,737	-	1,737
Total comprehensive income for the year	-	-	8,730	-	-	384	1,353	10,467	367	10,834
<u>Contributions by and distributions to owners</u>										
Purchase of treasury shares	-	(84)	-	-	-	-	-	(84)	-	(84)
Treasury shares re-issued pursuant to SMG Share Plan	49	37	-	(86)	-	-	-	-	-	-
Share-based payment transactions	-	-	-	345	-	-	-	345	-	345
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	-	(1,930)	-	(1,930)
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(300)	(300)
Repayment of convertible loan	-	-	-	-	(603)	-	-	(603)	-	(603)
Total contributions by and distributions to owners	49	(47)	(1,930)	259	(603)	-	-	(2,272)	(300)	(2,572)
<u>Changes in ownership interests in subsidiaries</u>										
Transfer of interests in a subsidiary to non-controlling interests without a change in control	-	-	(62)	-	-	-	-	(62)	62	-
Total changes in ownership interests in subsidiaries	-	-	(62)	-	-	-	-	(62)	62	-
Total transactions with owners in their capacity as owners	49	(47)	(1,992)	259	(603)	-	-	(2,334)	(238)	(2,572)
<b>At 31 December 2020</b>	<b>119,838</b>	<b>(89)</b>	<b>32,304</b>	<b>939</b>	<b>-</b>	<b>(261)</b>	<b>1,353</b>	<b>154,084</b>	<b>(573)</b>	<b>153,511</b>

# Singapore Medical Group Limited and its Subsidiaries

## Interim condensed statements of changes in equity For the full financial year ended 31 December 2021

Company	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Share option reserve \$'000	Equity component of convertible loan \$'000	Fair value reserve \$'000	Total \$'000
<b>2021</b>							
At 1 January 2021	119,838	(89)	23,168	939	-	1,353	145,209
Profit for the year	-	-	14,673	-	-	-	14,673
<u>Other comprehensive income</u>							
Fair value loss on equity instrument designated at FVOCI	-	-	-	-	-	(1,211)	(1,211)
Re-designation of equity instrument designated at FVOCI to investment in associates	-	-	142	-	-	(142)	-
Other comprehensive income for the year, net of tax	-	-	142	-	-	(1,353)	(1,211)
Total comprehensive income for the year	-	-	14,815	-	-	(1,353)	13,462
<u>Contributions by and distributions to owners</u>							
Issue of shares	72	-	-	(17)	-	-	55
Share issuance expenses	(23)	-	-	-	-	-	(23)
Treasury shares re-issued pursuant to SMG Share Plan	50	39	-	(89)	-	-	-
Share-based payment transactions	-	-	-	233	-	-	233
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	(1,930)
Shares issued for acquisition of subsidiary (Note 20)	1,091	-	-	-	-	-	1,091
Total transactions with owners in their capacity as owners	1,190	39	(1,930)	127	-	-	(574)
<u>Others</u>							
Expiry of employee share options	-	-	213	(213)	-	-	-
Total others	-	-	213	(213)	-	-	-
<b>At 31 December 2021</b>	<b>121,028</b>	<b>(50)</b>	<b>36,266</b>	<b>853</b>	<b>-</b>	<b>-</b>	<b>158,097</b>
<b>2020</b>							
At 1 January 2020	119,789	(42)	12,224	680	603	-	133,254
Profit for the year	-	-	12,874	-	-	-	12,874
<u>Other comprehensive income</u>							
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	-	1,353	1,353
Other comprehensive income for the year, net of tax	-	-	-	-	-	1,353	1,353
Total comprehensive income for the year	-	-	12,874	-	-	1,353	14,227
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	-	(84)	-	-	-	-	(84)
Treasury shares re-issued pursuant to SMG Share Plan	49	37	-	(86)	-	-	-
Share-based payment transactions	-	-	-	345	-	-	345
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	(1,930)
Repayment of convertible loan	-	-	-	-	(603)	-	(603)
Total transactions with owners in their capacity as owners	49	(47)	(1,930)	259	(603)	-	(2,272)
<b>At 31 December 2020</b>	<b>119,838</b>	<b>(89)</b>	<b>23,168</b>	<b>939</b>	<b>-</b>	<b>1,353</b>	<b>145,209</b>

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements.



**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed consolidated cash flow statement  
For the full financial year ended 31 December 2021**

		<b>Group</b>	
	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit before tax		18,070	10,528
Adjustments for:			
Depreciation of property, plant and equipment		3,137	2,998
Depreciation of right-of-use assets		5,778	5,961
Amortisation of intangible assets		453	365
Share-based compensation expense		233	345
(Reversal of)/provision for expected credit loss on trade receivables		(14)	167
Impairment loss on goodwill		-	3,000
Bad debts written off		12	11
Lease receivable written off		-	18
Income from rental relief		(68)	(1,548)
Interest income		(30)	(75)
Interest expenses		478	939
Amortisation of loan costs		15	43
Accretion of interest on deferred purchase consideration		-	14
Gain on disposal of property, plant and equipment		(22)	(17)
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	20	(2,664)	-
Impairment loss on loans to an associate		1,164	-
Share of results of joint ventures and associates		(898)	(453)
Total adjustments		7,574	11,768
<b>Operating cash inflows before changes in working capital</b>		<b>25,644</b>	<b>22,296</b>
Changes in working capital:			
(Increase)/decrease in:			
Inventories		(133)	(28)
Trade and other receivables		436	168
Prepayments		(191)	279
Increase/(decrease) in:			
Trade payables		189	(234)
Contract liabilities, other payables and accruals		1,000	970
Total changes in working capital		1,301	1,155
<b>Cash flows generated from operations</b>		<b>26,945</b>	<b>23,451</b>
Interest received		30	73
Interest paid		(488)	(1,199)
Income tax paid		(2,018)	(1,418)
<b>Net cash flows from operating activities</b>		<b>24,469</b>	<b>20,907</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,862)	(1,378)
Purchase of intangible assets		(367)	(194)
Proceeds from disposal of property, plant and equipment		42	6
Loan to joint venture		-	(5)
Investment in joint venture		(525)	-
Investment in associates		(3,060)	-
Other investment		-	(403)
Net cash outflow from acquisition of subsidiary	20	(1,916)	-
Payment of deferred purchase consideration		-	(1,391)
<b>Net cash flows used in investing activities</b>		<b>(9,688)</b>	<b>(3,365)</b>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed consolidated cash flow statement  
For the full financial year ended 31 December 2021**

		<b>Group</b>	
	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>			
Dividends paid	18	(1,930)	(1,930)
Dividends paid to non-controlling interests		(1,040)	(300)
Issue of shares		55	-
Issue of subsidiary's shares to non-controlling interests		498	-
Share issuance expenses		(23)	-
Purchase of treasury shares		-	(84)
Repayment of convertible loan		-	(10,000)
Proceeds from loans and borrowings		-	4,000
Repayment of loans and borrowings		(5,279)	(6,075)
Payment of principal portion of lease liabilities		(6,067)	(4,846)
<b>Net cash flows used in financing activities</b>		<b>(13,786)</b>	<b>(19,235)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>995</b>	<b>(1,693)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>25,623</b>	<b>27,316</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>26,618</b>	<b>25,623</b>

*The accompanying accounting policies and explanatory notes form an integral part of the interim condensed financial statements.*

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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#### 1. Corporate information

Singapore Medical Group Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and listed on the official list of SGX-Catalist. These interim condensed financial statements as at and for the six-month financial period and full financial year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those relating to the operation of medical clinics, provision of general medical services and investment holding. The principal activities of the Group are:

- (a) Operation of medical clinics and provision of specialist medical services including obstetrics and gynaecology, oncology, paediatrics, radiology, aesthetics, LASIK and general ophthalmology, dentistry, cardiology, breast care, urology and endocrinology, and general medicine and health screening services; and
- (b) Investment holding.

#### 2. Basis of preparation

The interim condensed financial statements for the six-month financial period and full financial year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim condensed financial statements for the financial period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The interim condensed financial statements are presented in Singapore Dollars ("**SGD**" or "**\$**"), which is the Company's functional currency, and all values are rounded to the nearest thousand ("**\$'000**") except when otherwise indicated.

##### 2.1 ***New and amended standards adopted by the Group***

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### 2.2 ***Use of judgements and estimates***

In preparing the interim condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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## 2. Basis of preparation (cont'd)

### 2.2 Use of judgements and estimates (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following note:

- Note 11: Impairment testing of goodwill - Key assumptions underlying recoverable amounts
- Note 20: Acquisition of subsidiary - Fair value of the consideration transferred, and fair value of the assets acquired and liabilities assumed, measured on a provisional basis

## 3. Seasonal operations

The Group's businesses within both the Health and Diagnostic and Aesthetics business segments are widely diversified across a broad range of multidisciplinary medical specialties. Accordingly, the Group is able to negate the impact from seasonality as seasonal declines within a particular business segment would be offset by an increase in demand for other business segments. As a result, the Group was not materially affected by seasonal or cyclical factors during the financial period and year.

## 4. Segment and revenue information

The Group is organised into the following business segments:

- (a) The Health Business comprises: (a) Obstetrical and gynaecological services caters to the wellness of women for every momentous stage of life; (b) Oncology services including the prevention, diagnosis and treatment of cancer, cancer screening and cancer genetic and risk assessment; (c) Paediatrics services; (d) General medicine and health screening services; (e) Cardiology services; (f) Urology services; and (g) Endocrinology services;
- (b) The Diagnostic and Aesthetics Business comprises: (a) Radiology and diagnostic imaging services; (b) Refractive surgery services; (c) Dental services including general dental services, prosthodontics, orthodontics, implant dentistry, oral surgery and gum treatment; and (d) Aesthetics medicine services which offer an extensive range of evidence-based healthcare services related to the improvement of physical appearances. These services include facial aesthetics, body aesthetics, facial and breast fillers, IPL, lasers, Botox, microdermabrasion minimally invasive Silhouette threadlift, VASER-assisted LipoSelection and plastic surgery; and
- (c) The Others segment comprises group-level corporate services as well as business consultancy functions and telemedicine services.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 4. Segment and revenue information (cont'd)

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (“**CODM**”), Chief Executive Officer (“**CEO**”), who are responsible for allocating resources and assessing performance of the operating segments. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

Based on the management reporting to the CODM, the segment assets and liabilities are not regularly provided for his review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

##### (a) Reportable segment

	Health \$'000	Diagnostic and Aesthetics \$'000	Others \$'000	Adjustments and eliminations \$'000	Total \$'000
<b>6-month financial period ended 31.12.2021 ("2H2021")</b>					
<b>Revenue:</b>					
External customers	31,613	19,307	238	-	51,158
Inter-segment	22	729	276	(1,027)	-
Total revenue	31,635	20,036	514	(1,027)	51,158
<b>Segment results:</b>					
Segment gross profit <sup>1</sup>	11,878	9,875	385	(155)	21,983
Depreciation of property, plant and equipment	(452)	(919)	(280)	-	(1,651)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(155)	-	-	(155)
Amortisation of intangible assets	(10)	(53)	(203)	-	(266)
Gain on disposal of property, plant and equipment	-	19	-	-	19
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	-	-	2,664	-	2,664
Share-based compensation expense	-	-	(103)	-	(103)
Reversal of/(provision for) expected credit loss on trade receivables	4	(1)	-	-	3
Bad debts (written off)/recovered	(8)	2	-	-	(6)
Impairment loss on loans to an associate	-	(1,164)	-	-	(1,164)
Finance income	-	-	11	-	11
Interest expenses	(17)	(55)	(127)	-	(199)
Amortisation of loan costs	(2)	-	-	-	(2)
Share of results of joint ventures and associates	375	294	-	-	669
Unallocated expenses					(12,677)
Profit before tax					9,126

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**  
**For the 6-month financial period and full financial year ended 31 December 2021**

**4. Segment and revenue information (cont'd)**

*(a) Reportable segment (cont'd)*

	Health \$'000	Diagnostic and Aesthetics \$'000	Others \$'000	Adjustments and eliminations \$'000	Total \$'000
<b>6-month financial period ended 31.12.2020 ("2H2020")</b>					
<b>Revenue:</b>					
External customers	29,322	18,751	322	-	48,395
Inter-segment	(6)	744	280	(1,018)	-
Total revenue	29,316	19,495	602	(1,018)	48,395
<b>Segment results:</b>					
Segment gross profit <sup>1</sup>	11,687	10,282	336	(178)	22,127
Depreciation of property, plant and equipment	(410)	(788)	(214)	-	(1,412)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(216)	(95)	-	(311)
Amortisation of intangible assets	(7)	(57)	(133)	-	(197)
Loss on disposal of property, plant and equipment	-	(13)	-	-	(13)
Share-based compensation expense	-	-	(189)	-	(189)
Provision for expected credit loss on trade receivables	(53)	(107)	-	-	(160)
Reversal of impairment loss on other receivables	-	180	-	-	180
Impairment loss on goodwill	(3,000)	-	-	-	(3,000)
Bad debts written off	(7)	(4)	-	-	(11)
Finance income	2	2	11	-	15
Interest expenses	(43)	(49)	(55)	-	(147)
Amortisation of loan costs	(13)	-	-	-	(13)
Share of results of joint ventures and associates	363	110	-	-	473
Unallocated expenses					(10,909)
Profit before tax					6,433

<sup>1</sup> Included in segment gross profit is depreciation of right-of-use assets of \$2,724,000 (2H2020: \$2,723,000) of which \$565,000 (2H2020: \$644,000), \$715,000 (2H2020: \$706,000) and \$1,444,000 (2H2020: \$1,373,000) are allocated to Health Business, Diagnostic and Aesthetics Business, and Others segment respectively.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**4. Segment and revenue information (cont'd)**

*(a) Reportable segment (cont'd)*

	Health \$'000	Diagnostic and Aesthetics \$'000	Others \$'000	Adjustments and eliminations \$'000	Total \$'000
<b>Full financial year ended 31.12.2021 ("FY2021")</b>					
<b>Revenue:</b>					
External customers	62,122	38,432	286	-	100,840
Inter-segment	26	1,425	553	(2,004)	-
Total revenue	62,148	39,857	839	(2,004)	100,840
<b>Segment results:</b>					
Segment gross profit <sup>2</sup>	24,265	19,621	687	(313)	44,260
Depreciation of property, plant and equipment	(914)	(1,726)	(497)	-	(3,137)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(320)	(63)	-	(383)
Amortisation of intangible assets	(17)	(109)	(327)	-	(453)
Gain on disposal of property, plant and equipment	3	19	-	-	22
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	-	-	2,664	-	2,664
Share-based compensation expense	-	-	(233)	-	(233)
Reversal of provision for expected credit loss on trade receivables	14	-	-	-	14
Bad debts written off	(11)	(1)	-	-	(12)
Impairment loss on loans to an associate	-	(1,164)	-	-	(1,164)
Finance income	-	-	30	-	30
Interest expenses	(111)	(90)	(277)	-	(478)
Amortisation of loan costs	(15)	-	-	-	(15)
Share of results of joint ventures and associates	235	663	-	-	898
Unallocated expenses					(23,943)
Profit before tax					18,070

# Singapore Medical Group Limited and its Subsidiaries

## Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

### 4. Segment and revenue information (cont'd)

#### (a) Reportable segment (cont'd)

	Health \$'000	Diagnostic and Aesthetics \$'000	Others \$'000	Adjustments and eliminations \$'000	Total \$'000
<b>Full financial year ended 31.12.2020 ("FY2020")</b>					
<b>Revenue:</b>					
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
<b>Segment results:</b>					
Segment gross profit <sup>2</sup>	23,410	14,408	562	(340)	38,040
Depreciation of property, plant and equipment	(862)	(1,705)	(431)	-	(2,998)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(432)	(189)	-	(621)
Amortisation of intangible assets	(15)	(113)	(237)	-	(365)
(Loss)/gain on disposal of property, plant and equipment	-	(13)	30	-	17
Share-based compensation expense	-	-	(345)	-	(345)
Provision for expected credit loss on trade receivables	(60)	(107)	-	-	(167)
Impairment loss on goodwill	(3,000)	-	-	-	(3,000)
Bad debts written off	(7)	(4)	-	-	(11)
Lease receivable written off	-	(18)	-	-	(18)
Finance income	9	7	59	-	75
Interest expenses	(320)	(127)	(492)	-	(939)
Amortisation of loan costs	(43)	-	-	-	(43)
Accretion of interest on deferred purchase consideration	(14)	-	-	-	(14)
Share of results of joint ventures and associates	322	131	-	-	453
Unallocated expenses					(19,536)
Profit before tax					10,528

<sup>2</sup> Included in segment gross profit is depreciation of right-of-use assets of \$5,395,000 (FY2020: \$5,340,000) of which \$1,148,000 (FY2020: \$1,219,000), \$1,423,000 (FY2020: \$1,395,000) and \$2,824,000 (FY2020: \$2,726,000) are allocated to Health Business, Diagnostic and Aesthetics Business, and Others segment respectively.

#### Geographical information

The Group mainly derives its revenue from Singapore, except for its share of results from joint ventures and associates of \$670,000 (2H2020: \$512,000) and \$1,150,000 (FY2020: \$17,000) profits, and \$Nil (2H2020: \$39,000) and \$237,000 (FY2020: \$436,000) losses for 2H2021 and FY2021 respectively.



**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**4. Segment and revenue information (cont'd)**

*(a) Reportable segment (cont'd)*

*Geographical information (cont'd)*

The share of results from joint ventures and associates based on geographical location are as follows:

	<b>Group</b>			
	<b>2H2021</b>	<b>2H2020</b>	<b>FY2021</b>	<b>FY2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Share of (losses)/profits from joint ventures:</i>				
Singapore	(33)	-	(33)	-
Indonesia	294	110	663	131
Vietnam	-	(34)	(237)	(114)
Total net share of profits from joint ventures	261	76	393	17
<i>Share of profits/(losses) from associates:</i>				
Singapore	32	(5)	18	(10)
Vietnam	212	-	212	-
Australia	164	402	275	446
Total net share of profits from associates	408	397	505	436
Total net share of profits from joint ventures and associates	669	473	898	453

Singapore Medical Group Limited and its Subsidiaries

Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue

Segments	Health		Diagnostic and Aesthetics		Others		Total	
	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000
<u>Type of good or service</u>								
Rendering of services	20,516	19,158	18,102	17,350	238	322	38,856	36,830
Sale of medicine and related products	11,097	10,164	1,205	1,401	-	-	12,302	11,565
Total revenue	31,613	29,322	19,307	18,751	238	322	51,158	48,395
<u>Timing of transfer of good or service</u>								
At a point in time	31,613	29,322	16,746	16,768	215	310	48,574	46,400
Over time	-	-	2,561	1,983	23	12	2,584	1,995
Total revenue	31,613	29,322	19,307	18,751	238	322	51,158	48,395

Singapore Medical Group Limited and its Subsidiaries

Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue (cont'd)

Segments	Health		Diagnostic and Aesthetics		Others		Total	
	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
<u>Type of good or service</u>								
Rendering of services	40,738	35,457	35,960	27,353	286	358	76,984	63,168
Sale of medicine and related products	21,384	21,922	2,472	2,250	-	-	23,856	24,172
Total revenue	62,122	57,379	38,432	29,603	286	358	100,840	87,340
<u>Timing of transfer of good or service</u>								
At a point in time	62,122	57,379	34,230	26,791	250	338	96,602	84,508
Over time	-	-	4,202	2,812	36	20	4,238	2,832
Total revenue	62,122	57,379	38,432	29,603	286	358	100,840	87,340

Revenue from transfer of good or service is attributed to Singapore.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**4. Segment and revenue information (cont'd)**

(c) *A breakdown of sales*

	<b>FY2021</b>	<b>FY2020</b>	<b>Group Increase/(decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Sales reported for first half year	49,682	38,945	10,737	27.6
Operating profit after tax before deducting non-controlling interests for first half year	7,727	3,483	4,244	121.8
Sales reported for second half year	51,158	48,395	2,763	5.7
Operating profit after tax before deducting non-controlling interests for second half year	7,989	5,614	2,375	42.3

**5. Profit before tax**

The following items have been included in arriving at profit before tax:

	<b>2H2021</b>	<b>2H2020</b>	<b>Group</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>FY2021</b>	<b>FY2020</b>
			<b>\$'000</b>	<b>\$'000</b>
Depreciation of property, plant and equipment	1,651	1,412	3,137	2,998
Depreciation of right-of-use assets	2,879	3,034	5,778	5,961
Amortisation of intangible assets	266	197	453	365
(Gain)/loss on disposal of property, plant and equipment	(19)	13	(22)	(17)
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	(2,664)	-	(2,664)	-
Lease expenses	435	456	904	934
(Reversal of)/provision for expected credit loss on financial assets:				
- trade receivables	(3)	160	(14)	167
Impairment loss on goodwill	-	3,000	-	3,000
Impairment loss on loans to an associate	1,164	-	1,164	-
Personnel expenses	18,519	15,993	35,327	29,782
Interest expense on:				
- loans and borrowings	48	28	159	515
- lease liabilities	151	119	319	334
- convertible loan	-	-	-	90
Amortisation of loan costs	2	13	15	43

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 6. Related party transactions

In addition to the related party information disclosed elsewhere in the interim condensed financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period and year:

	Group			
	2H2021	2H2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Rental paid to companies related to directors	159	97	332	248
Professional fees paid to companies related to directors	157	96	336	165
Interest expense on convertible loan from a significant shareholder	-	-	-	90

##### Companies related to directors

The Group had the following transactions with companies related to directors:

- (i) The Group had entered into lease agreements with K S Beng Pte. Ltd., a company owned by an immediate family member of Dr Beng Teck Liang, the Company's Executive Director and CEO and a substantial shareholder of the Company, to lease commercial premises for rental of \$88,000 for 2H2021 (2H2020: \$62,000) and \$179,000 for FY2021 (FY2020: \$143,000). The Group also paid professional fees of \$93,000 for 2H2021 (2H2020: \$76,000) and \$180,000 for FY2021 (FY2020: \$120,000) in relation to medical services rendered by the same entity.
- (ii) The Group had entered into a lease agreement with MW Medical Holdings Pte. Ltd., a company related to Dr Wong Seng Weng, an Executive Director of the Company, to lease a commercial premise for rental of \$71,000 for 2H2021 (2H2020: \$35,000) and \$153,000 for FY2021 (FY2020: \$105,000). The Group also engaged MW Medical Pte. Ltd., a company related to the same director, for nursing services of \$3,000 for 2H2021 (2H2020: \$5,000) and \$7,000 for FY2021 (FY2020: \$10,000).
- (iii) The Group had engaged Tricor Singapore Pte. Ltd. and Tricor WP Corporate Services Pte. Ltd. which are companies related to Mr Ho Lon Gee, an Independent Director of the Company, for secretarial services. The Group incurred professional fees of \$18,000 for 2H2021 (2H2020: \$15,000) and \$30,000 for FY2021 (FY2020: \$26,000).
- (iv) The Group had engaged TSMP Law Corporation, a company related to Ms Stefanie Yuen-Thio, an Independent Director of the Company, for legal services. The Group incurred professional fees of \$43,000 for 2H2021 (2H2020: \$Nil) and \$119,000 for FY2021 (FY2020: \$9,000).

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 7. Income tax expense

The Group calculates the period's and year's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

	Group			
	2H2021	2H2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
<i>Statement of comprehensive income:</i>				
Current income tax				
- current income taxation	1,158	895	2,294	1,489
- over provision in respect of previous years	(85)	(79)	(114)	(113)
	1,073	816	2,180	1,376
Deferred income tax				
- origination and reversal of temporary differences	64	3	174	55
	64	3	174	55
Income tax expense recognised in statement of comprehensive income	1,137	819	2,354	1,431

#### 8. Earnings per share

Basic earnings per share for 2H2021 and FY2021 is calculated by dividing the net profit for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 484,955,033 (2H2020: 482,610,675) and 483,809,091 (FY2020: 482,643,103) respectively.

Diluted earnings per share for 2H2021 and FY2021 is calculated by dividing the net profit for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 485,172,333 (2H2020: 482,811,193) and 484,058,742 (FY2020: 482,843,827) respectively. 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.

#### 9. Net assets value

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net assets value per share (cents)	34.53	31.93	32.38	30.09

Net asset value per ordinary share is calculated based on 486,382,109 and 482,610,675 ordinary shares (excluding treasury shares) outstanding as at 31 December 2021 and 31 December 2020 respectively.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

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**10. Property, plant and equipment**

During 2H2021, the Group and Company acquired assets amounting to \$1,014,000 (2H2020: \$1,034,000) and \$5,000 (2H2020: \$12,000) respectively.

**11. Intangible assets**

As at 31 December 2021, intangible assets include goodwill of \$123,413,000 (31.12.2020: \$123,101,000).

*Impairment testing of goodwill*

Goodwill acquired through business combinations have been allocated to five (31.12.2020: four) cash-generating units ("**CGU**"), Women's Health business, Paediatrics business, Diagnostic business, Aesthetics business and Vietnam business, for impairment testing.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**11. Intangible assets (cont'd)**

*Impairment testing of goodwill (cont'd)*

The carrying amount of goodwill allocated to each CGU is as follows:

	<b>Women's Health business</b>		<b>Paediatrics business</b>		<b>Diagnostic business</b>		<b>Aesthetics business</b>		<b>Vietnam business</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Goodwill	74,379	74,379	32,316	32,316	9,593	9,593	6,813	6,813	312	-

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted future growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	<b>Women's Health business</b>		<b>Paediatrics business</b>		<b>Diagnostic business</b>		<b>Aesthetics business</b>		<b>Vietnam business</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Long-term growth rates	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	4.0%	-
Pre-tax discount rate	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	12.0%	-



## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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#### 11. Intangible assets (cont'd)

##### *Key assumptions used in the value in use calculation*

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

**Growth rates** – Budgeted revenue is forecasted after considering factors like general market conditions, macroeconomic cycle, industry-specific and other relevant information. The growth rates are based on the targeted revenue growth, after considering the Company's available capacity, that are approved by management covering a period of 5 years. The future growth rates do not exceed the long-term average growth rate for the industries relevant to the CGUs.

**Pre-tax discount rates** – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("**WACC**"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

##### *Sensitivity to changes in assumptions*

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

#### 12. Other investment

	<b>Group and Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Equity instrument designated at FVOCI</b>		
Non-listed equity investment		
CityClinic Asia Investments Pte. Ltd.	-	3,041

Equity instrument designated at FVOCI comprises investment in equity shares of a non-listed company, CityClinic Asia Investments Pte. Ltd. ("**CCAI**"). The Company holds non-controlling interests of 10% (31.12.2020: 14%) in CCAI. The investment was irrevocably designated at FVOCI as the Company considers the investment to be strategic in nature.

During 2H2021, this investment is re-designated as investment in associates following the Company's acquisition of the remaining 50% equity interest in SMG International (Vietnam) Pte. Ltd. ("**SIV**") (Note 20). Upon the re-designation, fair value reserve of \$142,000 was transferred to retained earnings.

The movement in other investment account is disclosed in Note 19 to the interim condensed financial statements.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**13. Financial assets and financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Financial assets at FVOCI (Note 12)	-	3,041	-	3,041
Financial assets at amortised cost:				
- Trade receivables	5,822	5,268	-	-
- Other receivables (Note (i))	2,165	4,317	926	1,003
- Due from related companies	-	-	15,645	12,289
- Cash and bank balances	26,618	25,623	2,521	4,515
	<u>34,605</u>	<u>38,249</u>	<u>19,092</u>	<u>20,848</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Trade payables	2,075	1,886	2	2
- Other payables and accruals* (Note (ii))	11,235	10,464	839	478
- Due to related companies	-	-	13,101	14,363
- Lease liabilities	10,504	8,477	5,924	3,736
- Loans and borrowings	3,682	8,956	3,005	3,807
	<u>27,496</u>	<u>29,783</u>	<u>22,871</u>	<u>22,386</u>

\* Other payables and accruals exclude goods and services tax payable, provision for reinstatement and deferred grant income.

(i) Other receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current:</i>				
Refundable deposits	1,639	1,560	850	787
Loans to an associate (31.12.2020: a related party)	-	1,268	-	-
	<u>1,639</u>	<u>2,828</u>	<u>850</u>	<u>787</u>
<i>Current:</i>				
Refundable deposits	331	199	40	49
Amounts due from associates	24	78	24	86
Grant receivable	-	316	-	67
Other receivables	171	896	12	14
	<u>526</u>	<u>1,489</u>	<u>76</u>	<u>216</u>
Total other receivables	<u>2,165</u>	<u>4,317</u>	<u>926</u>	<u>1,003</u>

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**13. Financial assets and financial liabilities (cont'd)**

(ii) Other payables and accruals comprise:

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Current:</i>				
Goods and services tax payable	1,227	1,184	90	87
Medisave payable to patients	170	166	-	-
Accrued operating expenses	9,349	8,716	583	375
Loan from a related party	-	109	-	-
Amount due to a related party	188	-	188	-
Sundry creditors	1,528	1,473	68	103
Deferred grant income	-	316	-	67
	<b>12,462</b>	<b>11,964</b>	<b>929</b>	<b>632</b>
<i>Non-current:</i>				
Provision for reinstatement	408	408	212	212
	<b>408</b>	<b>408</b>	<b>212</b>	<b>212</b>
Total other payables and accruals	<b>12,870</b>	<b>12,372</b>	<b>1,141</b>	<b>844</b>

**14. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Amounts repayable within one year</u>				
Secured <sup>2</sup>	1,539	6,094	817	874
Unsecured	-	-	-	-
<u>Amounts repayable after one year</u>				
Secured <sup>2</sup>	2,188	3,696	2,188	3,006
Unsecured	-	-	-	-
	<b>3,727</b>	<b>9,790</b>	<b>3,005</b>	<b>3,880</b>

<sup>2</sup> Includes hire purchase of medical equipment by the Group and Company of \$45,000 (31.12.2020: \$834,000) and \$Nil (31.12.2020: \$73,000) respectively, which are recorded under "Lease liabilities", that are secured by the Group's and Company's medical equipment with net carrying amount of \$742,000 (31.12.2020: \$2,535,000) and \$Nil (31.12.2020: \$409,000) respectively.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 14. Loans and borrowings (cont'd)

Total loans and borrowings amounted to \$3,682,000 (31.12.2020: \$8,956,000), of which \$677,000 (31.12.2020: \$4,601,000) are secured by:

- (i) a charge over the share capital of eight wholly-owned subsidiaries;
- (ii) an assignment of the sale and purchase agreements and the Deed of Profit Guarantee in relation to the Astra Companies<sup>3</sup>;
- (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 two subsidiaries of the Group.

The remaining secured loan balances of \$3,005,000 (31.12.2020: \$4,355,000) comprise \$3,005,000 (31.12.2020: \$3,807,000) drawn down by the Company and \$Nil (31.12.2020: \$548,000) drawn down by three subsidiaries of the Group and are secured by corporate guarantees taken by two subsidiaries of the Group and the Company respectively.

<sup>3</sup> 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.

#### 15. Share capital

	Group and Company			
	31.12.2021		31.12.2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<u>Issued and fully paid ordinary shares (including treasury shares):</u>				
At 1 January	483,021	119,838	483,021	119,789
Reclassification from share option reserve for performance shares issued via transfer of treasury shares	-	50	-	49
Issue of shares (Note a)	195	72	-	-
Share issuance expenses	-	(23)	-	-
Shares issued for acquisition of subsidiary (Note b)	3,398	1,091	-	-
At 31 December	486,614	121,028	483,021	119,838

	Group and Company	
	31.12.2021	31.12.2020
	No. of shares	No. of shares
Total number of issued shares, including treasury shares	486,614,838	483,021,635
Treasury shares	(232,729)	(410,960)
Total number of issued shares, excluding treasury shares	486,382,109	482,610,675

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 15. Share capital (cont'd)

- (a) During 2H2021, the Company issued 195,000 (2H2020: Nil) ordinary shares following the exercise of share options under the SMG Share Option Scheme.
- (b) On 13 September 2021, the Company issued a total of 3,398,203 ordinary shares to three external parties, pursuant to the sale and purchase agreement between the Company and these parties, as part of the consideration for the acquisition of the remaining 50% equity interest in SIV. Upon completion of the acquisition, SIV became a wholly-owned subsidiary of the Company (Note 20).

As at 31 December 2021, the Company held 232,729 (31.12.2020: 410,960) treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares and subsidiary holdings) was 486,382,109 (31.12.2020: 482,610,675) shares.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

#### 16. Treasury shares

	Group and Company			
	31.12.2021		31.12.2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 January	411	89	139	42
Acquired during the year	-	-	445	84
Re-issue of treasury shares pursuant to SMG Share Plan	(178)	(39)	(173)	(37)
At 31 December	233	50	411	89

  

As percentage of total issued shares (excluding treasury shares and subsidiary holdings)	0.05%	0.09%
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In 2020, the Company acquired 445,000 shares in the Company through purchases on Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was \$84,000 and this was presented as a component within shareholders' equity. There are no purchases of treasury shares in FY2021.

During the financial year, the Company re-issued 178,231 (FY2020: 173,040) treasury shares pursuant to SSP (as defined in Note 17).

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 17. Share options and performance shares

##### Share Options

The SMG Share Option Scheme (“SSOS”) was approved by the shareholders at the Extraordinary General Meeting on 30 April 2014. During 2H2021 and 2H2020, no share options were granted by the Company and accepted by employees. For FY2021, 150,000 share options (FY2020: 285,000) were granted by the Company and accepted by employees. As at 31 December 2021, the number of shares that may be issued on conversion of all the outstanding share options were 7,940,000 (31.12.2020: 10,440,000), representing approximately 1.63% (31.12.2020: 2.16%), 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 outstanding at 1.1.2021	Options granted	Options exercised	Options forfeited/expired	Options outstanding at 31.12.2021	Expiry date
22.9.2016	\$0.303	2,510,000	-	(100,000)	(2,410,000)	-	21.9.2021
3.4.2017	\$0.544	585,000	-	-	(45,000)	540,000	2.4.2022
30.4.2018	\$0.493	5,200,000	-	-	-	5,200,000	29.4.2023
31.5.2019	\$0.393	1,860,000	-	-	-	1,860,000	30.5.2024
12.5.2020	\$0.255	285,000	-	(95,000)	-	190,000	11.5.2025
1.4.2021	\$0.381	-	150,000	-	-	150,000	31.3.2026
		<u>10,440,000</u>	<u>150,000</u>	<u>(195,000)</u>	<u>(2,455,000)</u>	<u>7,940,000</u>	

##### 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.

During 2H2021 and FY2021, no performance shares (2H2020 and FY2020: Nil) were granted to employees under the SSP. As at 31 December 2020, the number of outstanding performance shares to be granted under the SSP were 168,000, representing approximately 0.03% of the total issued shares (excluding treasury shares and subsidiary holdings). There were no outstanding performance shares to be granted under the SSP as at 31 December 2021.

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

Date of grant	Number of Performance Shares				Outstanding at 31.12.2021
	Outstanding at 1.1.2021	Granted	Adjustments <sup>#</sup>	Vested	
30.4.2018	168,000	-	10,231	(178,231)	-
	<u>168,000</u>	<u>-</u>	<u>10,231</u>	<u>(178,231)</u>	<u>-</u>

<sup>#</sup> 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.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements**

**For the 6-month financial period and full financial year ended 31 December 2021**

**18. Dividends**

	<b>Group and Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Cash dividends on ordinary shares declared and paid:</i></b>		
Final exempt (one-tier) dividend for year ended 2020: \$0.004		
(31.12.2020: Year ended 2019: \$0.004) per share	1,930	1,930

**19. Fair value measurement**

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset and liability.

*Assets measured at fair value*

<b>Financial assets measured at fair value</b>	<b>Note</b>	<b>Fair value measurements at the end of the reporting year using significant unobservable inputs (Level 3)</b>	
		<b>31.12.2021</b>	<b>31.12.2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Group and Company</b>			
<u>Equity instruments at FVOCI</u>			
Non-listed equity investment	12	-	3,041

For 2020, the fair value of the non-listed equity investment was estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for the non-listed equity investment.

Reconciliation of fair value measurement of non-listed equity investment classified as equity instruments designated at FVOCI:

	<b>Group and Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Movement in other investment account:</i></b>		
At 1 January	3,041	1,285
Addition	-	403
Remeasurement recognised in other comprehensive income	(1,211)	1,353
Re-designation to investment in associates (Note 12)	(1,830)	-
At 31 December	-	3,041

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

#### 20. Acquisition, transfer and dilution of interests in subsidiaries

##### *Acquisition of subsidiary*

On 13 September 2021, the Company acquired the remaining 50% equity interest in SIV, where the Company had an existing equity interest of 50%, for a total consideration of \$3,040,000 comprising \$1,949,000 in cash and 3,398,203 ordinary shares of \$0.321 each. As a result, the Company's equity interest in SIV increased from 50% to 100% making SIV a wholly-owned subsidiary of the Company.

Taking over SIV will enable to Group to strengthen its business position in Vietnam, allows the Group to tap into the potential growth in the Vietnamese market and provide synergies and cross-selling opportunities to the Group's business for Vietnamese patients seeking treatment in Singapore.

The Group recognised a gain of \$2,664,000 as a result of measuring at fair value its 50% equity interest in SIV held before the business combination. This gain was recognised as "Other gain" in the interim condensed statement of comprehensive income. The Group also incurred acquisition related costs of \$35,000 and \$23,000 which were recognised as "Administrative expenses" in the interim condensed statement of comprehensive income and as "Share issuance expenses" in equity for issuance of the Company's shares for the acquisition of SIV respectively.

The fair value of identifiable assets and liabilities and the effects of the acquisition of SIV as at the date of acquisition was:

	Fair value recognised on acquisition SIV \$'000
Investment in associate	5,818
Prepayments	1
Cash and cash equivalents	33
	<u>5,852</u>
Other payables	84
Total identifiable net liabilities at fair value	<u>5,768</u>
Goodwill arising from acquisition	312
	<u>6,080</u>
<u>Consideration transferred for the acquisition of SIV</u>	
Cash paid	1,949
Equity instruments issued (3,398,203 ordinary shares of the Company)	1,091
Total consideration transferred	<u>3,040</u>
<u>Effect of the acquisition of SIV on cash flows</u>	
Total consideration for equity interest acquired	3,040
Less: Non-cash consideration	(1,091)
Consideration settled in cash	<u>1,949</u>
Less: Cash and cash equivalents of subsidiary acquired	(33)
Net cash outflow	<u>(1,916)</u>



## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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#### 20. Acquisition, transfer and dilution of interests in subsidiaries (cont'd)

##### *Acquisition of subsidiary (cont'd)*

The goodwill of \$312,000 comprise the value of strengthening the Group's position in Vietnam and synergies expected to arise from integrating the Vietnam's operations in the Group's existing business. Goodwill is allocated to the Health business segment.

The Group is in the process of determining the fair value of assets and liabilities arising from the acquisition. As at 31 December 2021, goodwill arising from this acquisition has been determined on a provisional basis as at the date of the interim condensed financial statements and will be adjusted accordingly on a retrospective basis when the valuation is finalised.

##### *Transfer of interests in subsidiaries, without loss of control*

- (a) On 10 May 2021, the Company transferred 4% of the issued and paid-up capital of SMG Astra Women's Health Pte. Ltd. ("**AWH**"), a 92% owned subsidiary of the Company, to the medical director for a cash consideration of \$1 upon the medical director achieving the performance targets and completing the third year of service. Following the share transfer, the Company holds 88% of the equity interest in AWH. The carrying amount of the net assets of AWH as at the date of share transfer was \$678,000. The share transfer resulted in an increase in non-controlling interests of \$47,000 and a decrease in equity attributable to owners of the Company of \$47,000.
- (b) On 12 July 2021, the Company transferred 12% of the issued and paid-up capital of SMG Astra O&G Pte. Ltd. ("**AOG**"), a wholly-owned subsidiary of the Company, to the medical director for a cash consideration of \$3 upon the medical director achieving the performance targets and completing three years of service. Following the share transfer, the Company holds 88% of the equity interest in AOG. The carrying amount of the net assets of AOG as at the date of share transfer was \$521,000. The share transfer resulted in an increase in non-controlling interests of \$63,000 and a decrease in equity attributable to owners of the Company of \$63,000.

##### *Dilution of interest in subsidiary, without loss of control*

On 1 July 2021, pursuant to a subscription agreement entered into by HiDoc Pte. Ltd. ("**HiDoc**"), an 80% owned subsidiary of the Company, and a new investor, HiDoc issued 102 new ordinary shares to the new investor for a cash consideration of \$498,000. Following the share issuance, the Company's equity interest in HiDoc was reduced to 53%. The carrying amount of the net liabilities of HiDoc as at the date of share issuance was \$1,903,000. The share issuance resulted in a decrease in non-controlling interests of \$16,000 and an increase in equity attributable to owners of the Company of \$514,000.

Pursuant to the subscription agreement, the new investor will subscribe to additional 205 new ordinary shares of HiDoc for \$1,001,000 in cash each over 2 tranche (the "**Additional Subscriptions**") by 30 June 2022. Upon completion of the Additional Subscription, HiDoc becomes an associate of the Company with the Company holding a 20% equity interest.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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#### 21. Incorporation of joint venture

On 5 October 2021, pursuant to the Subscription and Joint Venture Agreement (the “**JV Agreement**”) entered into between the Company and Aurum Land (Private) Limited (“**Aurum**”), the joint venture company known as Aurum SMG Pte. Ltd. (“**ASPL**”), was incorporated with an issued and paid-up capital of \$100,000 consisting of 100,000 shares where the Company and Aurum each subscribed to 50,000 shares of \$50,000 representing 50% of the total issued and paid-up shares in ASPL.

ASPL is engaged in the business of operating co-working spaces providing fitness, wellness and medical specialist care services such as women’s health, children, beauty and aesthetics, diagnostics and health screening.

On 22 November 2021 and 20 December 2021, ASPL increased its issued and paid-up share capital by way of an allotment and issuance of 550,000 and 400,000 new shares of \$1 each respectively, and these are subscribed by the Company and Aurum pursuant to their 50% interest in ASPL respectively for a total subscription price of \$475,000 each in cash. Following the allotment and issuance of these new shares, ASPL’s issued and paid-up share capital is \$1,050,000 comprising of 1,050,000 shares, and the Company’s interest in ASPL remains unchanged at 50%. The investment is funded through the Company’s internal resources.

#### 22. Acquisition and increase in interests in associates

##### (a) *Subscription, and Conversion and Redemption of Redeemable Convertible Preference Shares in Associate*

On 1 September 2021, the Company entered into a subscription agreement with CHA SMG (Australia) Pte. Ltd. (“**CSA**”), a 20%-owned associate of the Company, to subscribe to 1,620,000 Redeemable Convertible Preference Shares (“**RCPS**”) for a total subscription price of \$2.2 million in cash. The RCPS may be converted to ordinary shares on a 1:1 basis at any time at the option of the RCPS holder.

On 20 October 2021, the Company converted 1,564,000 RCPS of \$2.1 million into ordinary shares of CSA and redeemed the remaining 56,000 RCPS for cash of \$0.1 million. Following the subscription, and conversion and redemption of the RCPS, the Company’s interest in CSA remains unchanged at 20%. The subscription price of \$2.2 million is funded through the Company’s internal resources.

##### (b) *Subscription of New Ordinary Shares in Associate*

On 21 September 2021, the Company subscribed to 160,000 new ordinary shares of Cardioscan Asia Pte. Ltd. (“**CAPL**”) for a total subscription price of \$160,000 in cash. Upon the allotment and issuance of these new ordinary shares, the Company’s interest in CAPL remains unchanged at 40%. The subscription price of \$160,000 is funded through the Company’s internal resources.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements

For the 6-month financial period and full financial year ended 31 December 2021

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#### 22. Acquisition and increase in interests in associates (cont'd)

##### *(c) Subscription of Ordinary Shares in a New Associate*

On 22 October 2021, the Company entered into a Subscription Agreement and Shareholders Agreement with two individuals where the Company will subscribe to 25,000 new ordinary shares of Annabelle Psychology Pte. Ltd. ("**APPL**"), representing a 20% equity interest in APPL, for a cash consideration \$800,000. The subscription was completed on 22 November 2021 and APPL becomes an associated company of the Group. As at 30 November 2021, APPL had a net asset value and net tangible assets (excluding the above share subscription) of approximately \$339,000.

APPL is a mental health group practice providing clinical psychology and therapy, and other clinical services including child neurodevelopmental and psychoeducational assessments, administering neurocognitive and IQ tests along with clinical and peer supervision to adults, children, couples and families. APPL currently operates two psychology centres in Singapore.

The above investment is funded through the Company's internal resources.

#### 23. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim condensed financial statements.

## Other Information Required by Appendix 7C of the Catalist Rules

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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#### Other Information

##### 1. Review

The interim condensed consolidated balance sheet of Singapore Medical Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 31 December 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month financial period and full financial year then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

##### 1A. 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.

##### 2. Review of performance of the Group

###### Interim Condensed Consolidated Statement of Comprehensive Income

###### *Revenue*

The Group’s revenue increased by 5.7% from \$48.4 million for the six-month financial period ended 31 December 2020 (“**2H2020**”) to \$51.2 million for the six-month financial period ended 31 December 2021 (“**2H2021**”). The increase was due to increase in revenue of the Diagnostic & Aesthetics Business segment and Health Business segment by \$0.5 million and \$2.3 million respectively mainly arising from the organic growth of the existing clinics.

The Group’s revenue increased by 15.5% from \$87.3 million for the financial year ended 31 December 2020 (“**FY2020**”) to \$100.8 million for the financial year ended 31 December 2021 (“**FY2021**”). Revenue from the Diagnostic and Aesthetics Business segment and Health Business segment increased by \$8.8 million and \$4.7 million respectively. The increase was mainly due to: (i) lower patient volume in FY2020 as a result of the Circuit Breaker (“**CB**”) period in Singapore from April to June 2020, where non-essential medical services were deferred and certain clinics were temporary closed, compared to FY2021 where there were no deferment of such medical services and closure of clinics; and (ii) the organic growth of the existing clinics.

###### *Gross profit*

Gross profit decreased by 0.7% from \$22.1 million for 2H2020 to \$22.0 million for 2H2021 as a result of increase in doctors’ fees mainly arising from increased doctor’s headcount, offset by increase in revenue. Gross profit margin decreased by three percentage point from 46% in 2H2020 to 43% in 2H2021 mainly due to the change in sales mix of the Health Business segment and Diagnostic & Aesthetics Business segment.

For FY2021, gross profit increased by 16.4% from \$38.0 million for FY2020 to \$44.3 million as a result of increase in revenue. Gross profit margin remains unchanged at 44% for both FY2020 and FY2021.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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## 2. Review of the performance of the Group (cont'd)

### Interim Condensed Consolidated Statement of Comprehensive Income (cont'd)

#### *Other income*

Other income increased by 430.8% from \$13,000 for 2H2020 to \$69,000 for 2H2021 mainly due to foreign exchange gain arising from the revaluation of the foreign currency loans where the Group had incurred foreign exchange loss in 2H2020.

For FY2021, other income increased by 11.8% from \$93,000 for FY2020 to \$104,000. The increase is mainly due to the same reason as mentioned above.

#### *Other gain/(loss)*

Other gain for 2H2021 and FY2021 comprise gain on remeasuring previously held equity in joint venture entity to fair value on business combination upon the Group's acquisition of SMG International (Vietnam) Pte. Ltd. ("**SIV**"), less impairment loss recognised for loans to an associated company, CityClinic Asia Investments Pte. Ltd. ("**CCAI**"), as it is unlikely that the loans will be recovered due to the cessation of the aesthetics business in Vietnam. Other loss for 2H2020 and FY2020 comprise impairment loss on goodwill.

#### *Distribution and selling expenses*

Distribution and selling expenses increased by 6.9% from \$1.6 million for 2H2020 to \$1.8 million for 2H2021. The increase is in line with the increase in revenue, offset by lower administrative fees paid to external administrators due to the decline in medical tourism arising from the COVID-19 pandemic.

For FY2021, distribution and selling expenses increased by 4.1% from \$3.4 million for FY2020 to \$3.5 million. The increase is mainly due to the same reasons as mentioned above.

#### *Administrative expenses*

Administrative expenses increased by 15.4% from \$11.4 million for 2H2020 to \$13.1 million for 2H2021. This was mainly due to: (i) no wage credits received under the Job Support Scheme in 2H2021 whereby the Group had received such grants of \$1.1 million in 2H2020; (ii) increase in staff costs arising from additional headcount due to the opening of new clinics, higher bonus payout and salary adjustments; and (iii) increase in professional fees arising from exploration of potential business opportunities.

For FY2021, administrative expenses increased by 19.1% from \$20.8 million for FY2020 to \$24.7 million. The increase is mainly due to the same reasons as mentioned above.

#### *Financial expenses*

Financial expenses increased by 25.6% from \$160,000 for 2H2020 to \$201,000 for 2H2021 mainly due to higher interest expense on lease liabilities with new and renewed leases for clinic/office premises entered into in 2H2021.

For FY2021, financial expenses decreased by 50.5% from \$1.0 million for FY2020 to \$0.5 million mainly due to: (i) no interest expense incurred for the convertible loan as the loan was fully repaid in May 2020; (ii) no accretion of interest on deferred purchase consideration as all deferred consideration was fully repaid in July 2020; and (iii) lower interest expense from bank loans with the repayment of the loan principal.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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## 2. Review of the performance of the Group (cont'd)

### Interim Condensed Consolidated Statement of Comprehensive Income (cont'd)

#### *Share of results of joint ventures and associates*

Share of profit of joint ventures and associates increased by 41.4% from \$0.5 million for 2H2020 to \$0.7 million for 2H2021. The increase is mainly due to higher profits earned by the joint venture entity, PT Ciputra SMG (“PTCS”), offset by lower profits earned by the associated company, CHA SMG (Australia) Pte. Ltd. (“CSA”), in 2H2021.

For FY2021, share of profit of joint ventures and associates increased by 98.2% from \$0.5 million for FY2020 to \$0.9 million. The increase is mainly due to the same reasons as mentioned above.

#### *Income tax expense*

Income tax expense increased by 38.8% from \$0.8 million for 2H2020 to \$1.1 million for 2H2021. The increase is mainly due to a higher taxable profit during the financial period.

For FY2021, income tax expense increased by 64.5% from \$1.4 million for FY2020 to \$2.4 million mainly due to the same reason as mentioned above.

#### *Net profit*

As a result of the reasons mentioned above, the Group's net profit attributable to equity holders of the Company increased by 59.6% and 78.8% from \$5.3 million and \$8.7 million for 2H2020 and FY2020 to \$8.4 million and \$15.6 million for 2H2021 and FY2021 respectively.

### Interim Condensed Consolidated Balance Sheet

Non-current assets increased by \$10.3 million from \$155.6 million as at 31 December 2020 to \$165.9 million as at 31 December 2021, mainly due to:

- (a) Increase in property, plant and equipment mainly arising from the addition of a Magnetic Resonance Imaging (“MRI”) equipment at the imaging centre in Novena, net of depreciation charged during the financial year;
- (b) Increase in right-of-use assets arising from new and renewal of leases for clinic/office premises, offset by depreciation charged during the financial year;
- (c) Increase in investment in joint ventures mainly due to the setting up of a new joint venture entity, Aurum SMG Pte. Ltd., in October 2021 and the net share of profits arising from PTCS during the financial year; and
- (d) Increase in investment in associates mainly due to the re-designation of investment in CCAI from other investment to investment in associates after the completion of the acquisition of SIV in September 2021, the subscription and conversion of redeemable convertible preference shares in CSA, the subscription of new ordinary shares in Cardioscan Asia Pte. Ltd. and the new associated company, Annabelle Psychology Pte. Ltd., and the net share of profits arising from CSA during the financial year.

The above increase is offset by: (i) decrease in other investment due to the re-designation of the investment to investment in associates (refer to Note 12 to the interim condensed financial statements); and (ii) decrease in other receivables mainly due to the impairment loss recognised for loans to CCAI.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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## 2. Review of the performance of the Group (cont'd)

### Interim Condensed Consolidated Balance Sheet

Current assets increased by \$0.9 million from \$34.9 million as at 31 December 2020 to \$35.8 million as at 31 December 2021, mainly due to increases in inventories, trade receivables, prepayments, and cash and cash equivalents of \$0.1 million, \$0.6 million, \$0.2 million and \$1.0 million respectively which were offset by decrease in other receivables of \$1.0 million.

Current liabilities decreased by \$3.1 million from \$29.4 million as at 31 December 2020 to \$26.3 million as at 31 December 2021, mainly due to: (a) decrease in the current portion of lease liabilities of \$0.3 million; and (b) decrease in the current portion of loans and borrowings of \$3.8 million as a result of repayment of bank loans. These decreases were offset by increases in trade payables, other payables and accruals, contract liabilities and income tax payable of \$0.2 million, \$0.5 million, \$0.2 million and \$0.1 million respectively.

Non-current liabilities increased by \$1.1 million from \$7.7 million as at 31 December 2020 to \$8.8 million as at 31 December 2021, mainly due to: (i) increase in lease liabilities arising from additional lease liabilities from new and renewal of leases for clinic/office premises, offset by lease payments during the financial year; and (ii) increase in deferred tax liabilities. The increase is offset by decrease in loans and borrowings as a result of reclassification from non-current to current during the financial year.

Refer to Note 15 of the interim condensed financial statements for details of movements in share capital.

### Interim Condensed Consolidated Cash Flow Statement

Net cash flows generated from operating activities of \$24.4 million for FY2021 arose mainly from the operating profit before working capital changes of \$25.6 million and inflow of working capital of \$1.3 million, offset by interest and income tax payment of \$0.5 million and \$2.0 million respectively.

Net cash flows used in investing activities of \$9.7 million for FY2021 were mainly attributed to the purchase of property, plant and equipment and intangible assets of \$3.9 million and \$0.4 million respectively, investment in joint venture and associates of \$0.5 million and \$3.0 million respectively, and net cash outflow from acquisition of subsidiary of \$1.9 million.

Net cash flows used in financing activities of \$13.8 million for FY2021 were mainly from dividends paid of \$1.9 million, dividends paid to non-controlling interests of \$1.0 million, and repayment of loans and borrowings and lease payments of \$5.3 million and \$6.1 million respectively, offset by issue of shares to non-controlling interests by a subsidiary of \$0.5 million.

Cash and cash equivalents was \$26.6 million as at 31 December 2021, compared to \$25.6 million as at 31 December 2020.



## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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

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

**4. 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 Group continues to be weighed by the uncertainty of the ongoing COVID-19 pandemic as the recent Omicron variant has led to a record number of cases across the region while dampening the near-term prospects of a revival in travel. Correspondingly, certain segments of the Group's business continue to be impacted by the significant drop in the number of foreign patients seeking treatment in Singapore.

While uncertainty remains as to when and if the demand for medical tourism will return, the Group remains cautiously optimistic that foreign patients will begin to slowly emerge in FY2022 as the region starts to reopen its borders following a near two-year period of strict border controls and lockdowns. The Group expects any potential resumption of travel to positively impact financial performance as historically, medical tourism has accounted for 15%-20% of overall revenue.

Despite the challenging business conditions and uncertain macroeconomic environment, domestic demand for specialist healthcare services has continued to remain resilient. Accordingly, the Group's diversified business model has been well placed to take advantage of structural shifts in demand across specialist verticals such as aesthetics and health screening while the overall demand for the Group's Health business segment has remained stable.

Overseas, the Omicron variant has led to a record number of COVID-19 cases in key markets such as Vietnam, Indonesia and Australia. While these investments have begun to gain traction, near-term uncertainty may persist as countries continue to grapple with the ongoing pandemic.

Looking ahead, the Group continues to aggressively chart organic growth in Singapore through the hiring of new specialists, opening of new clinics and increasing capacity within existing facilities. In particular, the Group is looking to strengthen its position as a leading private specialist healthcare provider within the women's and children's space while furthering the growth of its Diagnostics and Aesthetics business segment.

On the inorganic growth front, the Group will continue to explore opportunities in both key and complementary specialist verticals, leveraging on its strengthened balance sheet and strategic partnership with CHA Healthcare Co., Ltd. Any material developments on future corporate actions will be announced to shareholders accordingly via SGXNet.

**Singapore Medical Group Limited and its Subsidiaries**

**Other information required by Appendix 7C of the Catalyst Rules**

**For the six-month financial period and full financial year ended 31 December 2021**

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**5. Dividend information**

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

Name of Dividend	:	Final Dividend (Ordinary)
Dividend Type	:	Cash
Dividend Rate	:	0.65 cents per ordinary share
Tax Rate	:	Exempted from tax (One-tier corporate tax system)
Total Amount Payable	:	S\$3,161,484

Name of Dividend	:	Final Dividend (Special)
Dividend Type	:	Cash
Dividend Rate	:	0.25 cents per ordinary share
Tax Rate	:	Exempted from tax (One-tier corporate tax system)
Total Amount Payable	:	S\$1,215,955

The Board is recommending an increase in the final dividend (ordinary) as compared to the previous corresponding period and a special dividend after having considered, among other factors, the Group's cash position as at 31 December 2021 and the improved financial performance after a transition year following the onset of the pandemic.

**(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 5(a) and 5(b) above.

**(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.

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

Not applicable.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalist Rules

For the six-month financial period and full financial year ended 31 December 2021

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#### 7. Interested person transactions

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the financial year ended 31 December 2021 is disclosed below:

Name of interested person	Aggregate value of all interested person transactions (including transactions less than \$100,000) during the financial period under review	
	31.12.2021 \$'000	31.12.2020 \$'000
K S Beng Pte Ltd <sup>(1)</sup> - Rental	179	143
MW Medical Holdings Pte Ltd <sup>(2)</sup> - Rental	153	105
MW Medical Pte Ltd <sup>(2)</sup> - Nursing	7	10
CHA Healthcare Singapore Pte Ltd <sup>(3)</sup> - Interest on Convertible Loan	-	90
TSMP Law Corporation <sup>(4)</sup> - Professional Fees	119	9

**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 CEO 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.
- (4) TSMP Law Corporation is related to Ms Stefanie Yuen-Thio, an Independent Director of the Company.

#### 8. 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.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

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

Save for the disclosures set out in Note 20 to 22 to the interim condensed financial statements, the Group has the following transactions during 2H2021 and up to the date of this document:

##### (a) Incorporation of Subsidiaries

On 10 January 2022, the Company incorporated 2 wholly-owned subsidiaries in Singapore known as SMG O&G Centre Pte. Ltd. and SMG Astra Centre for Women Pte. Ltd. (collectively, the “**Subsidiaries**”) respectively.

The Subsidiaries were registered with an issued and paid-up capital of \$100 comprising 100 ordinary shares each and their principal activities are those relating to the provision of obstetrics and gynaecology services.

The above investments are funded through the Company’s internal resources.

##### (a) Subscription of New Ordinary Shares in Joint Venture

On 10 February 2022, Aurum SMG Pte. Ltd. (“**ASPL**”), a 50%-owned joint venture entity of the Company, increased its issued and paid-up share capital by \$600,000 from \$1,050,000 to \$1,650,000 through the allotment and issuance of 600,000 new ordinary shares of \$1 per share (the “**New Shares**”).

The New Shares were allotted and issued to: (i) Aurum Land (Private) Limited which has subscribed for 300,000 New Shares for a total subscription price of \$300,000 in cash; and (ii) the Company which has subscribed for 300,000 New Shares for a total subscription price of \$300,000 in cash. Upon the allotment and issuance of the New Shares, the Company’s interest in ASPL remains unchanged at 50%.

The subscription price of \$300,000 is funded through the Company’s internal resources.

#### 10. 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 2 for details.

#### 11. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year

	Latest Full Year \$'000	Previous Full Year \$'000
Final (Ordinary)	3,161	1,930
Final (Special)	1,216	-
Total	4,377	1,930

Total annual dividend for FY2021 comprises recommended FY2021 final ordinary and special dividend of approximately \$3,161,000 and \$1,216,000 respectively. Total annual dividend for FY2020 comprises recommended FY2020 final dividend of \$1,930,000 which was paid on 12 May 2021.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules

For the six-month financial period and full financial year ended 31 December 2021

12. 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	78	180 <sup>(a)</sup>	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  
Executive Director and Chief Executive Officer  
22 February 2022

*This document 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 Catalyst.*

*This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this document.*

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