



Company Registration No. 200503187W

**Singapore Medical Group Limited and  
its Subsidiaries**

Unaudited Interim Condensed Financial Statements  
For the six-month financial period ended 30 June 2021

## Singapore Medical Group Limited and its Subsidiaries

### Table of content

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	<b>Page</b>
Interim condensed consolidated statement of comprehensive income	1
Interim condensed balance sheets	2
Interim condensed statement of changes in equity	4
Interim condensed consolidated cash flow statement	7
Notes to the interim condensed financial statements	9
Other information required by Appendix 7C of the Catalist Rules	25

## Singapore Medical Group Limited and its Subsidiaries

### Interim condensed consolidated statement of comprehensive income For the six-month financial period ended 30 June 2021

		Group		Increase/ (decrease)
	Note	30.6.2021 \$'000	30.6.2020 \$'000	%
Revenue	4	49,682	38,945	27.6
Cost of sales		(27,405)	(23,032)	19.0
<b>Gross profit</b>		<u>22,277</u>	<u>15,913</u>	40.0
Finance income		19	60	(68.3)
Other income		35	80	(56.3)
Distribution and selling expenses		(1,763)	(1,738)	1.4
(Reversal of)/impairment losses on financial assets		11	(187)	N.M
Administrative expenses		(11,572)	(9,177)	26.1
Finance expenses		(292)	(836)	(65.1)
Share of results of joint ventures and associates		229	(20)	N.M
<b>Profit before tax</b>	5	<u>8,944</u>	<u>4,095</u>	118.4
Income tax expense	7	(1,217)	(612)	98.9
<b>Profit for the period</b>		<u><u>7,727</u></u>	<u><u>3,483</u></u>	121.8
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences		(129)	126	N.M
		<u>(129)</u>	<u>126</u>	N.M
<i>Items that will not be reclassified to profit or loss</i>				
Net loss on equity instrument designated at fair value through other comprehensive income ("FVOCI")		(584)	-	100.0
		<u>(584)</u>	<u>-</u>	100.0
<b>Other comprehensive income for the period, net of tax</b>		<u>(713)</u>	<u>126</u>	N.M
<b>Total comprehensive income for the period</b>		<u><u>7,014</u></u>	<u><u>3,609</u></u>	94.3
<b>Profit attributable to:</b>				
Owners of the Company		7,190	3,454	108.2
Non-controlling interests		537	29	1751.7
		<u>7,727</u>	<u>3,483</u>	121.8
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		6,477	3,580	80.9
Non-controlling interests		537	29	1751.7
		<u>7,014</u>	<u>3,609</u>	94.3
<b>Earnings per share attributable to owners of the Company (cents per share)</b>				
Basic	8	<u>1.49</u>	<u>0.72</u>	
Diluted	8	<u>1.49</u>	<u>0.72</u>	

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 30 June 2021

	Note	Group		Company	
		30.6.2021 \$'000	31.12.2020 \$'000	30.6.2021 \$'000	31.12.2020 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	8,437	6,755	811	653
Intangible assets	11	123,917	123,912	139	193
Right-of-use assets		7,232	9,902	2,853	3,983
Investment in subsidiaries		-	-	131,559	133,397
Investment in joint ventures		1,871	1,738	2,166	2,156
Investment in associates		6,698	6,721	6,395	6,395
Other investment	12	2,457	3,041	2,457	3,041
Other receivables		2,843	2,828	787	787
Deferred tax assets		727	730	206	286
		<u>154,182</u>	<u>155,627</u>	<u>147,373</u>	<u>150,891</u>
<b>Current assets</b>					
Inventories		1,864	1,828	-	-
Trade receivables		5,537	5,268	-	-
Prepayments		1,199	703	374	50
Other receivables		884	1,489	94	216
Due from related companies		-	-	17,001	12,289
Cash and bank balances		24,665	25,623	2,700	4,515
		<u>34,149</u>	<u>34,911</u>	<u>20,169</u>	<u>17,070</u>
<b>Total assets</b>		<u>188,331</u>	<u>190,538</u>	<u>167,542</u>	<u>167,961</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		1,981	1,886	2	2
Other payables and accruals		9,866	11,964	468	632
Contract liabilities		3,352	2,945	-	-
Due to related companies		-	-	6,963	7,764
Lease liabilities		4,106	5,134	2,184	2,103
Loans and borrowings		3,547	5,307	809	801
Income tax payable		1,568	2,132	-	-
		<u>24,420</u>	<u>29,368</u>	<u>10,426</u>	<u>11,302</u>
<b>Net current assets</b>		9,729	5,543	9,743	5,768
<b>Non-current liabilities</b>					
Other payables and accruals		408	408	212	212
Due to related companies		-	-	6,774	6,599
Lease liabilities		1,973	3,343	825	1,633
Loans and borrowings		2,599	3,649	2,599	3,006
Deferred tax liabilities		366	259	-	-
		<u>5,346</u>	<u>7,659</u>	<u>10,410</u>	<u>11,450</u>
<b>Total liabilities</b>		<u>29,766</u>	<u>37,027</u>	<u>20,836</u>	<u>22,752</u>
<b>Net assets</b>		<u>158,565</u>	<u>153,511</u>	<u>146,706</u>	<u>145,209</u>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed balance sheets  
As at 30 June 2021**

	Note	Group		Company	
		30.6.2021 \$'000	31.12.2020 \$'000	30.6.2021 \$'000	31.12.2020 \$'000
<b>Equity attributable to owners of the Company</b>					
Share capital	15	119,888	119,838	119,888	119,838
Treasury shares	16	(50)	(89)	(50)	(89)
Retained earnings		37,517	32,304	25,119	23,168
Share option reserve		980	939	980	939
Foreign currency translation reserve		(390)	(261)	-	-
Fair value reserve		769	1,353	769	1,353
		<u>158,714</u>	<u>154,084</u>	<u>146,706</u>	<u>145,209</u>
<b>Non-controlling interests</b>		<b>(149)</b>	<b>(573)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b><u>158,565</u></b>	<b><u>153,511</u></b>	<b><u>146,706</u></b>	<b><u>145,209</u></b>
<b>Total equity and liabilities</b>		<b><u>188,331</u></b>	<b><u>190,538</u></b>	<b><u>167,542</u></b>	<b><u>167,961</u></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 statements of changes in equity  
For the six-month financial period ended 30 June 2021

Group	Attributable to owners of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Total \$'000		
<b>2021</b>									
At 1 January 2021	119,838	(89)	32,304	939	(261)	1,353	154,084	(573)	153,511
Profit for the period	-	-	7,190	-	-	-	7,190	537	7,727
<u>Other comprehensive income</u>									
Foreign currency translation differences	-	-	-	-	(129)	-	(129)	-	(129)
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	-	(584)	(584)	-	(584)
Other comprehensive income for the period, net of tax	-	-	-	-	(129)	(584)	(713)	-	(713)
Total comprehensive income for the period	-	-	7,190	-	(129)	(584)	6,477	537	7,014
<u>Contributions by and distributions to owners</u>									
Treasury shares re-issued pursuant to SMG Share Plan	50	39	-	(89)	-	-	-	-	-
Share-based payment transactions	-	-	-	130	-	-	130	-	130
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	(1,930)	-	(1,930)
Dividends paid by subsidiaries	-	-	-	-	-	-	-	(160)	(160)
Total contributions by and distributions to owners	50	39	(1,930)	41	-	-	(1,800)	(160)	(1,960)
<u>Changes in ownership interests in subsidiaries</u>									
Dilution of interests in subsidiary without a change in control	-	-	(47)	-	-	-	(47)	47	-
Total changes in ownership interests in subsidiary	-	-	(47)	-	-	-	(47)	47	-
Total transactions with owners in their capacity as owners	50	39	(1,977)	41	-	-	(1,847)	(113)	(1,960)
<b>At 30 June 2021</b>	<b>119,888</b>	<b>(50)</b>	<b>37,517</b>	<b>980</b>	<b>(390)</b>	<b>769</b>	<b>158,714</b>	<b>(149)</b>	<b>158,565</b>

Singapore Medical Group Limited and its Subsidiaries

Interim condensed statements of changes in equity  
For the six-month financial period ended 30 June 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	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 period	-	-	3,454	-	-	-	3,454	29	3,483
<u>Other comprehensive income</u>									
Foreign currency translation differences	-	-	-	-	-	126	126	-	126
Other comprehensive income for the period, net of tax	-	-	-	-	-	126	126	-	126
Total comprehensive income for the period	-	-	3,454	-	-	126	3,580	29	3,609
<u>Contributions by and distributions to owners</u>									
Purchase of treasury shares	-	(84)	-	-	-	-	(84)	-	(84)
Treasury shares re-issued pursuant to SMG Share Plan	47	37	-	(84)	-	-	-	-	-
Share-based payment transactions	-	-	-	156	-	-	156	-	156
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	(1,930)	-	(1,930)
Repayment of convertible loan	-	-	-	-	(603)	-	(603)	-	(603)
Total contributions by and distributions to owners	47	(47)	(1,930)	72	(603)	-	(2,461)	-	(2,461)
Total transactions with owners in their capacity as owners	47	(47)	(1,930)	72	(603)	-	(2,461)	-	(2,461)
<b>At 30 June 2020</b>	<b>119,836</b>	<b>(89)</b>	<b>27,090</b>	<b>752</b>	<b>-</b>	<b>(519)</b>	<b>147,070</b>	<b>(673)</b>	<b>146,397</b>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed statements of changes in equity  
For the six-month financial period ended 30 June 2021**

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Retained earnings \$'000</b>	<b>Share option reserve \$'000</b>	<b>Equity component of convertible loan \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Total \$'000</b>
<b>2021</b>							
At 1 January 2021	119,838	(89)	23,168	939	-	1,353	145,209
Profit for the period	-	-	3,881	-	-	-	3,881
<u>Other comprehensive income</u>							
Fair value gain on equity instrument designated at FVOCI	-	-	-	-	-	(584)	(584)
Other comprehensive income for the period, net of tax	-	-	-	-	-	(584)	(584)
Total comprehensive income for the period	-	-	3,881	-	-	(584)	3,297
<u>Contributions by and distributions to owners</u>							
Treasury shares re-issued pursuant to SMG Share Plan	50	39	-	(89)	-	-	-
Share-based payment transactions	-	-	-	130	-	-	130
Dividends on ordinary shares (Note 18)	-	-	(1,930)	-	-	-	(1,930)
Total transactions with owners in their capacity as owners	50	39	(1,930)	41	-	-	(1,800)
<b>At 30 June 2021</b>	<b>119,888</b>	<b>(50)</b>	<b>25,119</b>	<b>980</b>	<b>-</b>	<b>769</b>	<b>146,706</b>
<b>2020</b>							
At 1 January 2020	119,789	(42)	12,224	680	603	-	133,254
Profit for the period	-	-	(122)	-	-	-	(122)
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	-	(84)	-	-	-	-	(84)
Treasury shares re-issued pursuant to SMG Share Plan	47	37	-	(84)	-	-	-
Share-based payment transactions	-	-	-	156	-	-	156
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	47	(47)	(1,930)	72	(603)	-	(2,461)
<b>At 30 June 2020</b>	<b>119,836</b>	<b>(89)</b>	<b>10,172</b>	<b>752</b>	<b>-</b>	<b>-</b>	<b>130,671</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 six-month financial period ended 30 June 2021**

	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	8,944	4,095
Adjustments for:		
Depreciation of property, plant and equipment	1,486	1,586
Depreciation of right-of-use assets	2,899	2,927
Amortisation of intangible assets	187	168
Share-based compensation expense	130	156
(Reversal of)/provision for expected credit loss on trade receivables	(11)	7
Impairment loss on other receivables	-	180
Bad debts written off	6	-
Lease receivable written off	-	18
Income from rental relief	-	(582)
Interest income	(19)	(60)
Interest expenses	279	792
Amortisation of loan costs	13	30
Accretion of interest on deferred purchase consideration	-	14
Gain on disposal of property, plant and equipment	(3)	(30)
Share of results of joint ventures and associates	(229)	20
Total adjustments	4,738	5,226
<b>Operating cash inflows before changes in working capital</b>	<b>13,682</b>	<b>9,321</b>
Changes in working capital: (Increase)/decrease in:		
Inventories	(36)	(290)
Trade and other receivables	366	1,194
Prepayments	(497)	(74)
Increase/(decrease) in:		
Trade payables	96	316
Contract liabilities, other payables and accruals	(1,881)	(450)
Total changes in working capital	(1,952)	696
<b>Cash flows generated from operations</b>	<b>11,730</b>	<b>10,017</b>
Interest received	19	58
Interest paid	(278)	(806)
Income tax paid	(1,671)	(57)
<b>Net cash flows from operating activities</b>	<b>9,800</b>	<b>9,212</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,858)	(449)
Purchase of intangible assets	(354)	(76)
Proceeds from disposal of property, plant and equipment	18	-
Other investment	-	(403)
<b>Net cash flows used in investing activities</b>	<b>(3,194)</b>	<b>(928)</b>

**Singapore Medical Group Limited and its Subsidiaries**

**Interim condensed consolidated cash flow statement  
For the six-month financial period ended 30 June 2021**

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	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Dividends paid	(1,930)	-
Dividends paid to non-controlling interests	(160)	-
Purchase of treasury shares	-	(84)
Repayment of convertible loan	-	(10,000)
Repayment of loans and borrowings	(2,825)	(3,148)
Payment of principal portion of lease liabilities	(2,649)	(2,114)
<b>Net cash flows used in financing activities</b>	<u>(7,564)</u>	<u>(15,346)</u>
<b>Net decrease in cash and cash equivalents</b>	(958)	(7,062)
<b>Cash and cash equivalents at beginning of financial period</b>	25,623	27,316
<b>Cash and cash equivalents at end of financial period</b>	<u>24,665</u>	<u>20,254</u>

*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 six-month financial period ended 30 June 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 ended 30 June 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 ended 30 June 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 annual financial statements for the financial year ended 31 December 2020.

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 six-month financial period ended 30 June 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 interim 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 interim period are included in the following note:

- Note 11: Impairment testing of goodwill - Key assumptions underlying recoverable amounts

#### 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.

#### 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 six-month financial period ended 30 June 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>30.6.2021</b>					
<b>Revenue:</b>					
External customers	30,509	19,125	48	-	49,682
Inter-segment	4	696	277	(977)	-
Total revenue	<u>30,513</u>	<u>19,821</u>	<u>325</u>	<u>(977)</u>	<u>49,682</u>
<b>Segment results:</b>					
Segment gross profit <sup>1</sup>	12,387	9,746	302	(158)	22,277
Depreciation of property, plant and equipment	(462)	(807)	(217)	-	(1,486)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(165)	(63)	-	(228)
Amortisation of intangible assets	(7)	(56)	(124)	-	(187)
Gain on disposal of property, plant and equipment	3	-	-	-	3
Share-based compensation expense	-	-	(130)	-	(130)
Reversal of provision for expected credit loss on trade receivables	10	1	-	-	11
Bad debt written off	(3)	(3)	-	-	(6)
Finance income	-	-	19	-	19
Interest expenses	(94)	(35)	(150)	-	(279)
Amortisation of loan costs	(13)	-	-	-	(13)
Share of results of joint ventures and associates	(140)	369	-	-	229
Unallocated expenses					<u>(11,266)</u>
Profit before tax					<u><u>8,944</u></u>

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 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>30.6.2020</b>					
<b>Revenue:</b>					
External customers	28,057	10,852	36	-	38,945
Inter-segment	7	375	260	(642)	-
Total revenue	<u>28,064</u>	<u>11,227</u>	<u>296</u>	<u>(642)</u>	<u>38,945</u>
<b>Segment results:</b>					
Segment gross profit <sup>1</sup>	11,723	4,126	226	(162)	15,913
Depreciation of property, plant and equipment	(452)	(917)	(217)	-	(1,586)
Depreciation of right-of-use assets (not included in segment gross profit)	-	(216)	(94)	-	(310)
Amortisation of intangible assets	(8)	(56)	(104)	-	(168)
Gain on disposal of property, plant and equipment	-	-	30	-	30
Share-based compensation expense	-	-	(156)	-	(156)
Provision for expected credit loss on trade receivables	(7)	-	-	-	(7)
Impairment loss on other receivables	-	(180)	-	-	(180)
Lease receivable written off	-	(18)	-	-	(18)
Finance income	7	5	48	-	60
Interest expenses	(277)	(78)	(437)	-	(792)
Amortisation of loan costs	(30)	-	-	-	(30)
Accretion of interest on deferred purchase consideration	(14)	-	-	-	(14)
Share of results of joint ventures and associates	(41)	21	-	-	(20)
Unallocated expenses					<u>(8,627)</u>
Profit before tax					<u>4,095</u>

<sup>1</sup> Included in segment gross profit is depreciation of right-of-use assets of \$2,671,000 (30.6.2020: \$2,617,000) of which \$583,000 (30.6.2020: \$575,000), \$708,000 (30.6.2020: \$689,000) and \$1,380,000 (30.6.2020: \$1,353,000) 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 \$480,000 (30.6.2020: \$65,000) profits and \$251,000 (30.6.2020: \$85,000) losses respectively.

The share of profits from joint ventures comprise profits from Indonesia of \$369,000 (30.6.2020: \$21,000) and losses from Vietnam of \$237,000 (30.6.2020: \$80,000). The share of profits from associates comprise profits from Australia of \$111,000 (30.6.2020: \$44,000) and losses from Singapore of \$14,000 (30.6.2020: \$5,000).

Singapore Medical Group Limited and its Subsidiaries

Notes to the interim condensed financial statements  
For the six-month financial period ended 30 June 2021

4. Segment and revenue information (cont'd)

(b) *Disaggregation of revenue*

Segments	Health		Diagnostic and Aesthetics		Others		Total	
	30.6.2021 \$'000	30.6.2020 \$'000	30.6.2021 \$'000	30.6.2020 \$'000	30.6.2021 \$'000	30.6.2020 \$'000	30.6.2021 \$'000	30.6.2020 \$'000
<i>Type of good or service</i>								
Rendering of services	20,222	16,299	17,858	10,003	35	28	38,115	26,330
Sale of medicine and related products	10,287	11,758	1,267	849	-	-	11,554	12,607
Management fee from associate	-	-	-	-	13	8	13	8
Total revenue	30,509	28,057	19,125	10,852	48	36	49,682	38,945
<i>Timing of transfer of good or service</i>								
At a point in time	30,509	28,057	17,484	10,023	35	28	48,028	38,108
Over time	-	-	1,641	829	13	8	1,654	837
Total revenue	30,509	28,057	19,125	10,852	48	36	49,682	38,945

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 six-month financial period ended 30 June 2021

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#### 5. Profit before tax

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

	Group	
	30.6.2021	30.6.2020
	\$'000	\$'000
Depreciation of property, plant and equipment	1,486	1,586
Depreciation of right-of-use assets	2,899	2,927
Amortisation of intangible assets	187	168
Gain on disposal of property, plant and equipment	(3)	(30)
Lease expenses	101	114
(Reversal of)/provision for expected credit loss on financial assets:		
- trade receivables	(11)	7
Impairment loss on other receivables	-	180
Bad debts written off	6	-
Lease receivable written off	-	18
Personnel expenses	16,808	13,789
Interest expense on:		
- loans and borrowings	111	487
- lease liabilities	168	215
- convertible loan	-	90
Accretion of interest on deferred purchase consideration	-	14
Amortisation of loan costs	13	30

#### 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:

	Group	
	30.6.2021	30.6.2020
	\$'000	\$'000
Rental paid to companies related to directors	173	151
Professional fees paid to companies related to directors	179	69
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 \$91,000 (30.6.2020: \$81,000). The Group also paid professional fees of \$87,000 (30.6.2020: \$44,000) in relation to medical services rendered by the same entity.



## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

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#### 6. Related party transactions (cont'd)

##### Companies related to directors (cont'd)

- (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 \$82,000 (30.6.2020: \$70,000). The Group also engaged MW Medical Pte. Ltd., a company related to the same director, for nursing services of \$4,000 (30.6.2020: \$5,000).
- (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 \$12,000 (30.6.2020: \$11,000).
- (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 \$76,000 (30.6.2020: \$9,000).

#### 7. Income tax expense

The Group calculates the period'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 for the financial periods ended 30 June 2021 and 2020 are:

	<b>Group</b>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	\$'000	\$'000
<i>Statement of comprehensive income:</i>		
Current income tax		
- current income taxation	1,136	594
- over provision in respect of previous years	(29)	(34)
	1,107	560
Deferred income tax		
- origination and reversal of temporary differences	110	52
	110	52
Income tax expense recognised in statement of comprehensive income	1,217	612

#### 8. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 482,644,155 (30.6.2020: 482,741,250) during the financial period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 482,904,120 (30.6.2020: 482,741,250) during the financial period. 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.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

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#### 9. Net assets value

	Group		Company	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020
Net assets value per share (cents)	32.87	31.93	30.39	30.09

Net asset value per ordinary share is calculated based on 482,788,906 and 482,610,675 ordinary shares (excluding treasury shares) outstanding as at 30 June 2021 and 31 December 2020 respectively.

#### 10. Property, plant and equipment

During the financial period, the Group and Company acquired assets amounting to \$2,753,000 (30.6.2020: \$449,000) and \$25,000 (30.6.2020: \$5,000) respectively. The Group fully paid construction in progress relating to furniture and fittings of \$105,000 (30.6.2020: \$Nil) which was outstanding as at 31 December 2020.

#### 11. Intangible assets

As at 30 June 2021, intangible assets include goodwill of \$123,101,000 (31.12.2020: \$123,101,000).

##### *Impairment testing of goodwill*

Goodwill acquired through business combinations have been allocated to four cash-generating units (“CGU”), Women’s Health business, Paediatrics business, Diagnostic business and Aesthetics business, for impairment testing.

Singapore Medical Group Limited and its Subsidiaries

Notes to the interim condensed financial statements  
For the six-month financial period ended 30 June 2021

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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>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Goodwill	74,379	74,379	32,316	32,316	9,593	9,593	6,813	6,813

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>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</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%
Pre-tax discount rate	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 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>30.6.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000
<b>Equity instrument designated at FVOCI</b>		
Non-listed equity investment		
CityClinic Asia Investments Pte. Ltd.	2,457	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.

**Singapore Medical Group Limited and its Subsidiaries**

**Notes to the interim condensed financial statements  
For the six-month financial period ended 30 June 2021**

**13. Financial assets and financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at FVOCI (Note 12)	2,457	3,041	2,457	3,041
Financial assets at amortised cost:				
- Trade receivables	5,537	5,268	-	-
- Other receivables	3,727	4,317	881	1,003
- Due from related companies	-	-	17,001	12,289
- Cash and bank balances	24,665	25,623	2,700	4,515
	<u>36,386</u>	<u>38,249</u>	<u>23,039</u>	<u>20,848</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Trade payables	1,981	1,886	2	2
- Other payables and accruals*	8,837	10,464	376	478
- Due to related companies	-	-	13,737	14,363
- Lease liabilities	6,079	8,477	3,009	3,736
- Loans and borrowings	6,146	8,956	3,408	3,807
	<u>23,043</u>	<u>29,783</u>	<u>20,532</u>	<u>22,386</u>

\* Other payables and accruals exclude the following:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000	\$'000	\$'000
Goods and services tax payable	1,029	1,184	92	87
Provision for reinstatement	408	408	212	212
Deferred grant income	-	316	-	67
	<u>1,437</u>	<u>1,908</u>	<u>304</u>	<u>366</u>

**14. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2021</b>	<b>31.12.2020</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000	\$'000	\$'000
<u>Amounts repayable within one year</u>				
Secured <sup>2</sup>	3,896	6,094	809	874
Unsecured	-	-	-	-
<u>Amounts repayable after one year</u>				
Secured <sup>2</sup>	2,641	3,696	2,599	3,006
Unsecured	-	-	-	-
	<u>6,537</u>	<u>9,790</u>	<u>3,408</u>	<u>3,880</u>

<sup>2</sup> Includes hire purchase of medical equipment by the Group and Company of \$391,000 (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 \$1,877,000 (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 six-month financial period ended 30 June 2021

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

Total loans and borrowings amounted to \$6,146,000 (31.12.2020: \$8,956,000), of which \$2,665,000 (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 \$3,481,000 (31.12.2020: \$4,355,000) comprise \$3,408,000 (31.12.2020: \$3,807,000) drawn down by the Company and \$73,000 (31.12.2020: \$548,000) drawn down by two (31.12.2020: 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			
	30.6.2021		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
At 30 June/31 December	<u>483,021</u>	<u>119,888</u>	<u>483,021</u>	<u>119,838</u>
			<b>Group and Company</b>	
			<b>30.6.2021</b>	<b>31.12.2020</b>
			No. of shares	No. of shares
Total number of issued shares, including treasury shares			483,021,635	483,021,635
Treasury shares			<u>(232,729)</u>	<u>(410,960)</u>
Total number of issued shares, excluding treasury shares			<u>482,788,906</u>	<u>482,610,675</u>

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

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

As at 31 December 2020, the Company held 410,960 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares and subsidiary holdings) was 482,610,675 shares. During the financial period, the Company transferred 178,231 treasury shares as performance shares awarded under the SSP (as defined in Note 17). After such share award, and as at 30 June 2021, the Company held 232,729 treasury shares and the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) was 482,788,906 shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021, 31 December 2020 and 30 June 2020.

#### 16. Treasury shares

	Group and Company			
	30.6.2021		31.12.2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 January	411	89	139	42
Acquired during the period/year	-	-	445	84
Re-issue of treasury shares pursuant to SMG Share Plan	(178)	(39)	(173)	(37)
At 30 June/31 December	<u>233</u>	<u>50</u>	<u>411</u>	<u>89</u>
As percentage of total issued shares (excluding treasury shares and subsidiary holdings)	<u>0.05%</u>		<u>0.09%</u>	

For the financial year ended 31 December 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 during the six months ended 30 June 2021.

During the financial period, the Company re-issued 178,231 (31.12.2020: 173,040) treasury shares pursuant to SSP (as defined in Note 17).

The number of treasury shares held by the Company as at 30 June 2020 was 410,960, representing 0.09% of total issued shares (excluding treasury shares and subsidiary holdings).

#### 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 the six-month financial period ended 30 June 2021, 150,000 (30.6.2020: 285,000) share options were granted by the Company and accepted by employees. As at 30 June 2021, the number of shares that may be issued on conversion of all the outstanding share options were 10,465,000 (30.6.2020: 10,560,000), representing approximately 2.17% (30.6.2020: 2.19%), of the total issued shares (excluding treasury shares and subsidiary holdings).

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

#### 17. Share options and performance shares (cont'd)

##### Share Options (cont'd)

The movement of share options of the Company during the financial period 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 30.6.2021	Expiry date
22.9.2016	\$0.303	2,510,000	-	-	(80,000)	2,430,000	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	-	-	-	285,000	11.5.2025
1.4.2021	\$0.381	-	150,000	-	-	150,000	31.3.2026
		10,440,000	150,000	-	(125,000)	10,465,000	

##### 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 the six-month financial period ended 30 June 2021, no performance shares (30.6.2020: Nil) were granted to employees under the SSP. As at 30 June 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 30 June 2021.

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

Date of grant	Number of Performance Shares				Outstanding at 30.6.2021
	Outstanding at 1.1.2021	Granted	Adjustments <sup>#</sup>	Vested	
30.4.2018	168,000	-	10,231	(178,231)	-
	168,000	-	10,231	(178,231)	-

<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.

#### 18. Dividends

	Group and Company	
	30.6.2021	30.6.2020
	\$'000	\$'000
<b>Cash dividends on ordinary shares declared and paid/payable:</b>		
Final exempt (one-tier) dividend for year ended 2020: \$0.004 (30.6.2020: Year ended 2019: \$0.004) per share	1,930	1,930



## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

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#### 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*

Financial assets measured at fair value	Note	Fair value measurements at the end of the reporting period/year using significant unobservable inputs (Level 3)	
		30.6.2021 \$'000	31.12.2020 \$'000
<b>Group and Company</b>			
<u>Equity instruments at FVOCI</u>			
Non-listed equity investment	12	<u>2,457</u>	<u>3,041</u>

The non-listed equity investment is valued using market observable inputs. The fair value is estimated based on the subscription price of a recent share subscription exercise that was concluded close to 30 June 2021.

#### 20. Subsequent events

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

##### Dilution of interests in subsidiaries

- (a) Pursuant to a subscription agreement entered into by HiDoc Pte. Ltd. (“**HiDoc**”), an 80% owned subsidiary of the Company, a new investor will subscribe to and HiDoc will issue a total of 512 new ordinary shares for a total cash consideration of \$2,500,000 (the “**Subscription**”). The Subscription will be made in three tranches with 102 new HiDoc’s shares being issued for \$498,000 in the first tranche (the “**First Tranche Subscription**”) and 205 new HiDoc’s shares being issued for \$1,001,000 for each of the second and third tranche. Upon completion of the Subscription, HiDoc becomes an associate of the Company with the Company holding a 20% equity interests.

On 1 July 2021, following the completion of the First Tranche Subscription, the Company’s equity interests in HiDoc was reduced to 53%. The carrying amount of the net liabilities of HiDoc as at the date of the First Tranche Subscription was \$1,912,000. The First Tranche Subscription resulted in a decrease in non-controlling interests of \$516,000 and an increase in equity attributable to owners of the Company of \$516,000.

## Singapore Medical Group Limited and its Subsidiaries

### Notes to the interim condensed financial statements For the six-month financial period ended 30 June 2021

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#### 20. Subsequent events (cont'd)

##### Dilution of interests in subsidiaries (cont'd)

- (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 interests 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.

The financial effects of the above transactions have not been included in this interim condensed financial statements for the financial period ended 30 June 2021, and will only be reflected in the second half 2021 financial statements and full year financial statements for 2021.

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

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 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 30 June 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 period 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 27.6% from \$38.9 million for the six-month financial period ended 30 June 2020 (“**HY2020**”) to \$49.7 million for the six-month financial period ended 30 June 2021 (“**HY2021**”). Revenue from the Diagnostic and Aesthetics Business segment and the Health Business segment increased by \$8.3 million and \$2.5 million respectively. The increase was mainly due to lower patient volume in HY2020 as a result of the Circuit Breaker (“**CB**”) period in Singapore from April to June 2020 as compared to HY2021 which saw the Phase 3 reopening of the Singapore economy and Phase 2 (Heightened Alert) from 16 May 2021 to 13 June 2021. As compared to the CB period during HY2020 where non-essential medical services were deferred and certain clinics were temporarily closed, the impact from the COVID-19 measures in HY2021 was significantly less than those in HY2020.

###### *Gross profit*

Gross profit increased by 40.0% from \$15.9 million for HY2020 to \$22.3 million for HY2021 as a result of the increase in revenue. Gross profit margin increased by four percentage points from 41% in HY2020 to 45% in HY2021 mainly due to the change in sales mix of the Health Business segment and the Diagnostic and Aesthetics Business segment.

###### *Other income*

Other income decreased by 56.3% from \$80,000 for HY2020 to \$35,000 for HY2021 mainly due to lower foreign exchange gain arising from the revaluation of the foreign currency loans and lower gain on disposal of property, plant and equipment recognised in HY2021.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 2021

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

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

###### *Distribution and selling expenses*

Distribution and selling expenses increased by 1.4% from \$1.7 million for HY2020 to \$1.8 million for HY2021. The increase is in line with the increase in revenue, offset by lower administrative fees paid to external administrators.

###### *Administrative expenses*

Administrative expenses increased by 26.1% from \$9.2 million for HY2020 to \$11.6 million for HY2021. This was mainly due to: (i) the wage credits received under the Job Support Scheme has reduced from \$1.5 million in HY2020 to \$0.5 million in HY2021; (ii) increase in staff costs arising from additional headcount due to the opening of new clinics and salary adjustments; and (iii) increase in professional fees arising from exploration of potential business opportunities.

###### *Financial expenses*

Financial expenses decreased by 65.1% from \$0.8 million for HY2020 to \$0.3 million for HY2021 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.

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

The Group records share of profit of joint ventures and associates of \$229,000 for HY2021 compared to share of loss of joint ventures and associates of \$20,000 for HY2020. This is mainly due to higher profits earned by the associated company, CHA SMG (Australia) Pte. Ltd., and the joint venture entity, PT Ciputra SMG (“PTCS”), offset by losses incurred by the joint venture entity, SMG International (Vietnam) Pte. Ltd

###### *Income tax expense*

Income tax expense increased by 98.9% from \$0.6 million for HY2020 to \$1.2 million for HY2021 mainly due to a higher taxable profit during the financial period.

###### *Net profit*

As a result of the reasons mentioned above, the Group’s net profit attributable to equity holders of the Company increased by 108.2% from \$3.5 million for HY2020 to \$7.2 million for HY2021.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 2021

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

##### Interim Condensed Consolidated Balance Sheet

Non-current assets decreased by \$1.4 million from \$155.6 million as at 31 December 2020 to \$154.2 million as at 30 June 2021, mainly due to: (i) decrease in right-of-use assets arising from depreciation charged, offset by the renewal of existing leases for clinic/office premises during the financial period; and (ii) the fair value adjustment to other investment.

The above decrease is offset by: (a) increase in property, plant and equipment mainly arising from the addition of one Magnetic Resonance Imaging (“MRI”) equipment at the imaging centre in Novena, net of depreciation charged during the financial period; (b) increase in investment in joint ventures mainly due to net share of profits arising from improved performance of PTCS.

Current assets decreased by \$0.8 million from \$34.9 million as at 31 December 2020 to \$34.1 million as at 30 June 2021, mainly due to decreases in cash and cash equivalents and other receivables of \$1.0 million and \$0.6 million respectively which were offset by increases in trade receivables and prepayments of \$0.3 million and \$0.5 million respectively.

Current liabilities decreased by \$5.0 million from \$29.4 million as at 31 December 2020 to \$24.4 million as at 30 June 2021, mainly due to: (a) decrease in other payable and accruals of \$2.1 million; (b) decrease in the current portion of lease liabilities of \$1.0 million; and (c) decrease in the current portion of loans and borrowings of \$1.8 million as a result of repayment of bank loans; and (d) decrease in income tax payables of \$0.6 million. These decreases were offset by: (a) increase in trade payables of \$0.1 million; and (b) increase in contract liabilities of \$0.4 million.

Non-current liabilities decreased by \$2.3 million from \$7.7 million as at 31 December 2020 to \$5.3 million as at 30 June 2021, mainly due to decrease in lease liabilities arising from lease payments, offset by the additional lease liabilities arising from the renewal of existing leases for clinic/office premises during the financial period, and decrease in loans and borrowings as a result of reclassification from non-current to current during the financial period. The decrease is offset by increase in deferred tax liabilities.

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 \$9.8 million for HY2021 arose mainly from the operating profit before working capital changes of \$13.7 million, offset by outflow of working capital of \$1.9 million, and interest and income tax payment of \$0.3 million and \$1.7 million respectively.

Net cash flows used in investing activities of \$3.2 million for HY2021 were mainly attributed to the purchase of property, plant and equipment and intangible assets of \$2.9 million and \$0.3 million respectively.

Net cash flows used in financing activities of \$7.6 million for HY2021 were mainly from dividends paid of \$1.9 million, dividends paid to non-controlling interests of \$0.2 million, and repayment of loans and borrowings and lease payments of \$2.8 million and \$2.7 million respectively.

Cash and cash equivalents was \$24.7 million as at 30 June 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 ended 30 June 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**

While the vaccination rollout in Singapore continues to accelerate, economic uncertainty persists as the government's Multi-Ministry Taskforce reverted to Phase 2 (Heightened Alert) safe management measures which took effect from 22 July 2021 to 18 August 2021. During this period, the Group's operations continue to remain fully operational with the relevant enhanced safe management practices and social distancing measures from the Ministry of Health implemented across all of the clinics. The impact from Phase 2 (Heightened Alert) is expected to be significantly less than the CB measures which were implemented in HY2020.

Despite the challenging business environment, the Group's diversified business model has been well placed to take advantage of structural shifts in demand in specialist verticals such as Diagnostics and Aesthetics while the overall demand for the Group's Health business segment remains stable.

However, over the longer term, subdued macroeconomic activity as a result of the pandemic may potentially impact the private healthcare industry as discretionary consumer spending slows. This effect could have a negative impact on elective medical services within the Group's Diagnostics and Aesthetics Business segment which rely heavily on discretionary consumer expenditure.

In addition, the pandemic's impact on medical tourism which historically contributed to 15% to 20% of total revenue, continues to weigh on the Group's operations as border restrictions and lockdowns continue to be enforced in key regional medical tourist markets. Consequently, certain segments of the Group's business continue to be impacted due to the significant drop in the number of foreign patients seeking treatment in Singapore. With varying vaccination rates across the region, it is uncertain as to when or if pre-COVID-19 levels of medical tourists will return to Singapore.

Overseas, record numbers of COVID-19 cases in Vietnam and Indonesia have led to extended nationwide lockdowns. While these two exciting and high-growth markets have been identified as key drivers of future growth, challenging business conditions are expected to persist in the near term as both countries grapple with the pandemic.

Nevertheless, the Group continues to identify and explore regional organic and inorganic growth opportunities. In particular, the Group's partnership with CHA Healthcare and City Fertility, one of Australia's largest IVF & fertility service groups has continued to gain traction. Having identified an opportunity to strengthen the partnership's leadership position in Australia, City Fertility is in the final stages of closing an earnings accretive acquisition which will expand its footprint in Western Australia. 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 Catalist Rules For the six-month financial period ended 30 June 2021

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#### 5. Dividend information

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

No dividend has been declared or recommended for the current financial period.

**(b) Corresponding period of the immediately preceding financial year.**

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

**(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).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(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.**

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2021 in view of the economic uncertainty resulted from the COVID-19 pandemic and its potential impact to the Group's business.

#### 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 six-month financial period ended 30 June 2021 is disclosed below:



## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalist Rules For the six-month financial period ended 30 June 2021

#### 7. Interested persons transactions (cont'd)

Name of interested person	Aggregate value of all interested person transactions (including transactions less than \$100,000) during the financial period under review	
	30.6.2021 \$'000	30.6.2020 \$'000
K S Beng Pte Ltd <sup>(1)</sup> - Rental	91	81
MW Medical Holdings Pte Ltd <sup>(2)</sup> - Rental	82	70
MW Medical Pte Ltd <sup>(2)</sup> - Nursing	4	5
CHA Healthcare Singapore Pte Ltd <sup>(3)</sup> - Interest on Convertible Loan	-	90

**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.

#### 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.

#### 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 the interim condensed financial statements, the Group has the following transactions during the six-month financial period ended 30 June 2021 and up to the date of this document:

*(a) Incorporation of a Subsidiary*

On 7 April 2021, the Company incorporated a subsidiary in Singapore known as Skin Republic Pte. Ltd. ("SRPL") and holds 80% equity interest in SRPL with the remaining 20% being held by an individual, who is a doctor of the Group.

SRPL was registered with an issued and paid-up capital of \$100 comprising 100 ordinary shares. The principal activities of SRPL will be that of provision of aesthetics services.

The investment of \$80 is funded through the Company's internal resources.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 2021

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

##### *(b) Transfer of Shares in Subsidiary*

On 10 May 2021, the Company transferred 4 ordinary shares in its 92%-owned subsidiary, SMG Astra Women's Health Pte. Ltd. ("**AWH**"), representing 4% of the total issued and paid-up capital of AWH, to Dr Fong Yoke Fai ("**Dr Fong**") for a total cash consideration of \$1 (the "**AWH Share Transfer**") in accordance with the terms and conditions of the Consultancy Agreement entered into between AWH and Dr Fong on 5 October 2017 (the "**AWH Agreement**"). Following the AWH Share Transfer, the Company holds 88% of the issued and paid-up capital of AWH and Dr Fong holds the remaining 12%.

Pursuant to the AWH Agreement, additional 4% of the issued and paid-up capital of AWH will be transferred to Dr Fong at a nominal consideration on the completion of each year of service with AWH, up to a total of 8% over the remaining 2-years period, if performance targets are met.

## Singapore Medical Group Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 2021

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#### Confirmation by the Board

We, the undersigned, hereby confirm on behalf of the Board of Directors (the “**Board**”) that to the best of our knowledge, nothing has come to the Board’s attention which may render the unaudited interim condensed financial statements of the Group for the six-month financial period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Beng Teck Liang  
Executive Director and Chief Executive Officer

Mr Ho Lon Gee  
Independent Director

Singapore  
3 August 2021

*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 statements or opinions made or reports contained in this document.*

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