# HEALTHWAY MEDICAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200708625C)

Minutes of the Sixteenth Annual General Meeting of Healthway Medical Corporation Limited (***Company***) held by way of electronic means on 27 April 2023 (Thursday) at 2:00 p.m.

## AGM ATTENDANCE

Directors
Mr. Sin Boon Ann (Independent Chairman)
Mr. Anand Kumar (Non-Independent Non-Executive Director)
Mr. Abram Melkyzedeck Suhardiman (Executive Director and Vice Chairman)
Mr. Chen Yeow Sin (Lead Independent Director)
Ms. Aliza Knox (Independent Director)
Dr Khor Chin Kee (Non-Independent Non-Executive Director)

Absent with Apologies
Dr Stephen Riady (Non-Independent Non-Executive Director)

Key Management
Mr. Stephens Lo Wai Onn (Chief Executive Officer) (***CEO***)
Mr. Sheth Sachin Sudhirbhai (Chief Financial Officer) (***CFO***)

*(The full attendance lists of invitees, shareholders, auditors, joint company secretaries, polling agents, scrutineers, webcast service provider and observers were separately maintained by the Company.)*

## OPENING, QUORUM AND PRESENTATION

Mr. Sin Boon Ann, Independent Chairman (***Chairman***), welcomed all shareholders (***Shareholders***) to the Sixteenth Annual General Meeting of the Company (***AGM*** or ***Meeting***) conducted via live audio-visual webcast and live audio-only stream pursuant to the relevant COVID-19 (Temporary Measures) Act, Regulation and Order 2020.

The Chairman took the opportunity to share with Shareholders the Company's key achievements for the financial year ended 31 December 2022 (***FY2022***). Shareholders were informed that the Group had remained focused on its goals of delivering integrated healthcare management to patients across different life stages despite the challenges and disruptions arising from macro uncertainties such as global supply chain disruptions, the Russia-Ukraine war, rising energy prices, intensifying inflationary pressures and manpower crunch. This has enabled the Group to advance steadily forward and made notable achievements in the past year. The Group had also continued to remain adaptable in supporting Singapore's journey to recovery from COVID-19 by running Joint Testing and Vaccination Centres while fortifying its network of primary and specialist clinics to take the Group's continuum of care to the next level.

Shareholders were further informed of the Group's efforts to help Singaporeans work towards better health and quality of life through the Healthier SG initiative (***Healthier SG***). In alignment with this national healthcare strategy introduced by the Ministry of Health (***MOH***) in 2022, the Group would contribute to the goals of moving from reactively caring for those who were ill to proactively preventing individuals from falling sick.

A pivotal part of the Group's efforts to realise the goals of Healthier SG was the continual expansion of its network of clinics and medical centres island-wide to enhance accessibility to affordable and quality healthcare. Over the past 12 months, the Group had opened and acquired another seven (7) clinics and in recognition of the increase in demand for quality health screening amongst professionals working in the central vicinity, a new Health Screening Centre was also established at Capitol in November 2022.

The Chairman added that the Group had brought in new specialists in cardiology, eye, paediatric surgery, psychiatry and more into its Nobel network. As the demand for pre-elective surgeries continues to grow, the Group would continue to expand and strengthen its Specialist Healthcare segment so that quality healthcare services were made available across more disciplines.

The Chairman further shared that in support of Healthier SG's national enrolment exercise to commit residents to seeing one family doctor throughout their adult life, all the family clinics under the Healthway Group would be joining the Healthier SG bandwagon. The Group had also ramped up its preparations for the Clinic Management System (***CMS***) - one of the few clinic management systems in the market that were compliant with MOH's requirements to support Healthier SG. The CMS system would help to keep track of the Group's patients' medical history and to ensure a seamless and coordinated healthcare experience for them.

In terms of performance, the Group had continued with its strong performance and registered a third consecutive year of profit in FY2022. The Group also achieved a remarkable growth of nearly 15% in revenue, from S$139.9 million in FY2021 to S$159.9 million in FY2022, which in itself, was a milestone in the Group's transformation in both performance and financial health since FY2017. The Group attributed this robust growth to the rise in revenue contributions from both the Primary Healthcare and Specialist Healthcare segments.

In FY2022, the Primary Healthcare segment achieved an overall revenue increase of more than 15% over FY2021, due to a surge in patient volume since the easing of community and cross-border measures. Similarly, the Specialist Healthcare segment also experienced a notable increase in revenue, of more than 10% year-on-year, mainly attributable to the return of foreign patients with the easing of cross-border measures, as well as the setting up of new clinics and acquisition of new businesses. The Group aimed to build on the positive momentum to further expand its footprint in both segments.

All in all, the Chairman reported that the Group had achieved an increase of 15% in net profit after income tax, from S$10.7 million for FY2021 to S$12.3 million for FY2022, with the profit attributable to Shareholders of S$12.5 million, after allocating for loss attributable to non-controlling interests of S$0.2 million.

The Chairman also took a moment to extend his heartiest congratulations to the nurses, GPs and other colleagues within the Group who were conferred the National Awards (COVID-19), in recognition of their outstanding contributions to Singapore's fight against the COVID-19 pandemic. It was noted that their dedication had been instrumental to the Group's high level of medical care to its patients and contributed towards being one of Asia's leading healthcare provider.

On behalf of the Board and Management the Company, the Chairman also expressed the sincerest appreciation to the Shareholders for their continued support and trust in the Company.

The Chairman proceeded to introduce each member of the Board, CEO and CFO who joined the live audio-visual webcast. The attendance of the Company's auditors, Ernst & Young LLP, joint company secretaries, sponsor, share registrar, polling agents and scrutineers were also noted for records.

As a quorum was present, Chairman declared the Meeting opened. The Notice of AGM dated 4 April 2023 which had been announced via SGXNet on the same day was taken as read.

**QUESTIONS & ANSWERS**

The Meeting noted that the Company had responded to the questions received from the Securities Investors Association (Singapore) and to a relevant question submitted by a shareholder in advance of the Meeting, on the Company's Investor Relations website as well as via SGXNet on 21 April 2023.

Shareholders were further informed that notwithstanding the above, relevant questions pertaining to the resolutions to be tabled at the AGM could still be submitted at any point in time during the AGM. Such questions would be addressed during the "live" question and answer session of the AGM.

**CONDUCT OF THE VOTING**

The Meeting noted that voting for all the resolutions would be conducted "live", and by poll in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST (***Catalist Rules***) and the Company's Constitution (***Poll***). Shareholders and duly appointed proxies who were attending the Meeting via the live webcast would be able to cast their votes "live" at the Meeting by real-time remote electronic voting through the webcast platform. The Company had appointed Convene SG Pte. Ltd., as its polling agent and Reliance 3P Advisory Pte. Ltd., as scrutineers for the purposes of the Poll.

**ORDINARY BUSINESS**

**1. ORDINARY RESOLUTION 1 – ADOPTION OF DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT THEREON**

The Chairman proposed and tabled Ordinary Resolution 1 to vote by way of poll:

"That the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 together with the Independent Auditor's Report thereon, be and are hereby received and adopted."

**2. ORDINARY RESOLUTION 2 – RE-ELECTION OF MR CHEN YEOW SIN AS A DIRECTOR**

2.1 The Chairman informed the Meeting that in accordance with Regulation 98 of the Company's Constitution (***Constitution***) and Rule 720(4) of the Catalist Rules, Mr. Chen Yeow Sin shall retire as a Director by rotation at the AGM.

2.2 Mr. Chen, who had signified his consent to continue in office, would upon re-election as a Director of the Company, continue to serve as the Lead Independent Director of the Company, Chairman of the Audit and Risk Committee as well as the Nominating Committee and a member of the Remuneration Committee.

2.3 The Chairman proposed the following ordinary resolution to vote by way of poll:

"That Mr. Chen Yeow Sin be re-elected as a Director of the Company."

**3. ORDINARY RESOLUTION 3 – RE-ELECTION OF MS ALIZA KNOX AS A DIRECTOR**

3.1 The Chairman informed the Meeting that in accordance with Regulation 98 of the Constitution and Rule 720(4) of the Catalist Rules, Ms. Aliza Knox shall retire as a Director by rotation at the AGM.

3.2 Ms. Knox, who had signified her consent to continue in office, would upon re-election as a Director of the Company, continue to serve as an Independent Director, and a member of the Audit and Risk Committee, the Nominating Committee as well as the Remuneration Committee.

3.3 The Chairman proposed the following ordinary resolution to vote by way of poll:

"That Ms. Aliza Knox be re-elected as a Director of the Company."

**4. ORDINARY RESOLUTION 4 – RE-ELECTION OF DR KHOR CHIN KEE AS A DIRECTOR**

4.1 The Chairman informed the Meeting that in accordance with Regulation 102 of the Constitution and Rule 720(4) of the Catalist Rules, Dr Khor Chin Kee shall retire as a Director by rotation at the AGM.

4.2 Dr Khor, who had signified his consent to continue in office, would upon re-election as a Director of the Company, continue to serve as a Non-Independent Non-Executive Director of the Company.

4.3 The Chairman proposed the following ordinary resolution to vote by way of poll:

"That Dr Khor Chin Kee be re-elected as a Director of the Company."

**5. ORDINARY RESOLUTION 5 – APPROVAL OF THE PAYEMENT OF DIRECTORS' FEES OF S$ 228,386 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

5.1 The Chairman informed the Meeting that the Board had recommended the payment of S$228,386 as Directors' Fees for the financial year ended 31 December 2022.

5.2 The Chairman proposed and tabled the following ordinary resolution to vote by way of poll:

"That the payment of Directors' Fees of S$228,386 for the financial year ended 31 December 2022 be approved."

**6. ORDINARY RESOLUTION 6 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS THE INDEPENDENT AUDITOR OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

6.1 Shareholders were requested to approve the re-appointment of Messrs Ernst & Young LLP as auditors of the Company, who shall hold office until the next AGM of the Company and to

authorise the Directors to fix their remuneration. The Meeting was informed that the retiring Auditors had expressed their willingness to accept re-appointment.

6.2 The Chairman proceeded to propose and table the following ordinary resolution to vote by way of poll:

"That Messrs Ernst & Young LLP be re-appointed as Auditors of the Company, and the Directors be authorised to fix their remuneration."

**SPECIAL BUSINESS**

**7. ORDINARY RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE NEW SHARES**

7.1 The Chairman proposed and tabled the following ordinary resolution to vote by way of poll:

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and Rule 806 of the Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

(a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided always that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (the "**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued

under sub-paragraph (i) above, the percentage of total issued Shares shall be based on total issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(2) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company's Constitution for the time being; and

(d) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

**LIVE QUESTION AND ANSWER SESSION**

As all the resolutions had been duly proposed, the Meeting proceeded to the "live" Question and Answer Session. Members of the Board and Management were invited to address the substantial and relevant questions received from the Shareholders via the AGM webcast as set out below:

**Question 1**

**It was a disappointment that the Company did not declare its maiden dividend under the new management despite the Group continuing with its strong performance and registered a third consecutive year of profit in FY2022. Having achieved its strongest net cash position of $38.6 million since September 2017, it is a struggle to convince shareholders that the Company needed to conserve cash for future growth and a token dividend would send a very positive message that the Company appreciated the long-term support of its loyal shareholders. The shareholder asked:**

**a) When can long term shareholders expect the Company to start paying dividend?**
**b) Will the Company consider adopting a dividend policy?**

Response from the Chairman:

The Shareholder was directed by the Chairman to refer to the Company's response to the SIAS Question 2 (i) to (iv) which was published via SGXNet on 21 April 2023.

**Question 2**

**The performance of the Company share price is dismal despite a third consecutive year of profit in FY2022 with a net asset value (*NAV*) of 4.41 cents. The Company is making acquisition of subsidiaries at multiple times of their NAV but the Company's share is trading at a discount of 25% to its NAV. The shareholder asked:**

**a) Why is this so? Could this be due to the lack of investors' interest & analysts' coverage?**
**b) Is the Board looking into ways to improve the Company's visibility?**
**c) Will the Board consider resurrecting the Share Buyback Mandate?**

Response from the Chairman:

The Board is not in a position to predict movement in the share price as it is dependent on various factors both internal and external ones. The Board stands committed and focused on improving the Company's operational performance with the aim to enhance long-term shareholders' value through various measures including expansion of the network and business, improving operational excellence and efficiency, exercising prudent balance sheet management and enhanced governance which will lead to an improvement in the share price. However, there are various external factors at play such as the inflationary climate, uncertain global markets caused by war and tensions, which also drive market sentiments and investor interest that will also impact the share price. The Board shall continue to evaluate alternatives to address the matter.

The Board will seek shareholders' approval in the future should it deem necessary to resurrect the share buyback mandate.

**Question 3**

**Please share how will the Group's involvement in the Healthier SG's initiative contribute to its revenue and bottom-line?**

Response from the CEO:

The Group believes that the introduction of Healthier SG is a major transformation of Singapore's healthcare system. The Group is focusing on efforts and channeling its resources so as to be ready to support the Healthier SG initiative. For more information, the shareholders may refer to the Company's response to the SIAS Question 1(v) published on SGXNet on 21 April 2023.

**Question 4**

**How was the performance of EBH Group i.e. revenue and net profit, in 2022?**

Response from the CFO:

With the abatement of the pandemic and people returning to work from office, the clinics owned and operated by EBH have witnessed steady growth in the patient volume during FY2022. With that, the Board is satisfied with the performance of the EBH Group.

**Question 5**

**It was noted in the Annual Report that:**

**a) Under the SPA, Unimedic Pte. Ltd. was granted a call option to purchase all of the remaining shares of Healthway Dental Pte. Ltd. owned by the non-controlling shareholder (*NCI*)**
**b) Under the SPA, Healthway Medical Group Pte Ltd was granted a call option to purchase all of the remaining shares of EBH Capital Pte. Ltd. owned by the NCI.**

**The shareholder had enquired if similar call options were granted in the acquisitions of Ten Surgery Group Pte Ltd and Ascension Therapy Group Pte Ltd?**

Response from the CFO:

The Group does not have a similar CALL option to acquire the balance stake of Ten Surgery Pte Ltd and Ascension Therapy Grp Pte Ltd.

**Question 6**

**The shareholder had made a reference to page 119 of the Annual Report and noted that other payables to non-controlling interests (*NCI*) relate to contracts between the Group and the NCI to purchase the shares held by the NCI in the subsidiaries. The contracts are not expected to be settled within the next 12 months.**

**a) Are these put options granted to the NCI to sell all of their shares in the subsidiaries to the Group?**
**b) Which subsidiaries have these contractual terms?**
**c) Were there similar contractual terms in the acquisitions of Ten Surgery Group Pte Ltd and Ascension Therapy Group Pte Ltd?**

Response from the CFO:

The other payables are in respect of put options granted to the NCI to sell their stake to the Group. The contracts are entered into by the Group's subsidiaries Healthway Medical Group Pte and Unimedic Pte Ltd. The Group has not offered similar put option to the NCI of Ten Surgery Group Pte Ltd and Ascension Therapy Grp Pte Ltd.

**Question 7**

**The Group has unrecognised tax losses of $56,055,000 (2021: $58,688,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Singapore.**

**a) Was the unrecognized tax losses utilised to offset taxable income for 2022?**
**b) If so, what was the amount utilised?**

Response from the CFO:

Over the past years, the Group has actively utilised carry forward tax losses. As reported in the FY2021 Annual Report, the Group's tax losses were S$67 million, which has now reduced to S$56 million as per the FY2022 Annual Report.

As there were no further questions from the shareholders, the Chairman declared the Q&A session closed.

**DECLARATION OF POLL RESULTS**

The Chairman announced that the shareholders would have an additional two (2) minutes to conclude their poll voting. The Chairman subsequently announced at the end of two (2) minutes to conclude the voting. Upon completion of the verification and counting of the votes, the results of the polls were handed to the Chairman. The Chairman announced the results of the poll as follows:

| **Resolution number and details** | **Total number of shares represented by votes for and against the relevant resolution** | **For** | | **Against** | | **Abstain** | |
|---|---|---|---|---|---|---|---|
| | | **Number of Shares** | **As a percentage of total number of votes for and against the resolution (%)** | **Number of Shares** | **As a percentage of total number of votes for and against the resolution (%)** | **Number of Shares** | **As a percentage of total number of votes for and against the resolution (%)** |
| **Ordinary Business** | | | | | | | |
| **Ordinary Resolution 1** Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. | 3,142,747,668 | 3,135,685,968 | 99.78 | 7,061,700 | 0.22 | 182,900 | - |
| **Ordinary Resolution 2** Re-election of Mr. Chen Yeow Sin as a Director retiring pursuant to Regulation 98 of the Company's Constitution and Rule 720(4) of the Catalist Rules. | 3,142,747,668 | 3,135,685,968 | 99.78 | 7,061,700 | 0.22 | 182,900 | - |
| **Ordinary Resolution 3** Re-election of Ms. Aliza Knox as a Director retiring pursuant to Regulation 98 of the Company's Constitution and Rule 720(4) of the Catalist Rules. | 3,142,747,668 | 3,135,685,968 | 99.78 | 7,061,700 | 0.22 | 182,900 | - |

| Resolution number and details | Total number of shares represented by votes for and against the relevant resolution | For | | Against | | Abstain | |
|---|---|---|---|---|---|---|---|
| | | Number of Shares | As a percentage of total number of votes for and against the resolution (%) | Number of Shares | As a percentage of total number of votes for and against the resolution (%) | Number of Shares | As a percentage of total number of votes for and against the resolution (%) |
| **Ordinary Business** | | | | | | | |
| **Ordinary Resolution 4** Re-election of Dr Khor Chin Kee as a Director retiring pursuant to Regulation 102 of the Company's Constitution and Rule 720(4) of the Catalist Rules. | 3,142,747,668 | 3,135,685,968 | 99.78 | 7,061,700 | 0.22 | 182,900 | - |
| **Ordinary Resolution 5** Approval of the payment of Directors' fees of S$228,386 for the year ended 31 December 2022. | 3,142,617,668 | 3,118,555,968 | 99.23 | 24,061,700 | 0.77 | 312,900 | - |
| **Ordinary Resolution 6** Re-appointment of Messrs Ernst & Young LLP as Independent Auditor of the Company and authority for the Directors to fix their remuneration. | 3,142,747,668 | 3,135,685,968 | 99.78 | 7,061,700 | 0.22 | 182,900 | - |
| **Special Business** | | | | | | | |
| **Ordinary Resolution 7** Authority to allot and issue new shares pursuant to Section 161 of the Companies Act 1967. | 3,142,617,668 | 3,118,555,968 | 99.23 | 24,061,700 | 0.77 | 312,900 | - |

With the poll results having read, Chairman declared all the resolutions were declared carried.

**CONCLUSION**

There being no other business, the Chairman thanked shareholders for their attendance and support and declared the Meeting closed at 2:41 p.m.

**SIGNED AS TRUE RECORD OF PROCEEDINGS**

**SIN BOON ANN**
**CHAIRMAN OF THE MEETING**