HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

Healthway Medical
Empowering Healthier Lives

UNAUDITED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE FULL YEAR FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FY2020")

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	12 months ended		
	31.12.20 S$'000	31.12.19 S$'000	Change %
Revenue	97,433	114,247	(14.7)
Other income	4,669	1,601	191.6
Other gains	-	(1)	n.m.
Expenses by nature			
- Medical supplies, consumables and laboratory expenses	(19,035)	(22,206)	(14.3)
- Staff costs	(59,877)	(74,716)	(19.9)
- Depreciation of property, plant and equipment	(10,757)	(10,891)	(1.2)
- Amortisation of intangible assets	(26)	-	n.m.
- Rental expenses	(237)	(326)	(27.3)
- Impairment loss on trade and other receivables	(973)	(1,126)	(13.6)
Finance costs	(965)	(1,032)	(6.5)
Other operating expenses	(7,473)	(8,391)	(10.9)
Share of loss of associate	(239)	(139)	71.9
Profit / (loss) before income tax	2,520	(2,980)	n.m.
Income tax credit	714	41	n.m.
Profit / (loss) for the year attributable to shareholders	3,234	(2,939)	n.m.
Other comprehensive income, net of tax	2	49	(95.9)
Total comprehensive income/(loss) for the year	3,236	(2,890)	n.m.

n.m. denotes not meaningful.

Explanatory notes to the income statement

Loss before income tax of the Group is arrived at after charging / (crediting):

	12 months ended		
Group	**31.12.20 S$'000**	**31.12.19 S$'000**	**Change %**
Interest income	(120)	(311)	(61.4)
Rental income	(251)	(345)	(27.2)
Interest expense	141	131	7.6
Lease interest expense	824	901	(8.5)
Loss on disposal of property, plant and equipment - net	228	11	n.m.
Unrealised currency translation loss - net	-	1	n.m.
Property, plant and equipment written off	401	262	53.1
Write back of provision for onerous lease contracts	(20)	(109)	(81.7)

Statement of comprehensive income

	12 months ended		
	31.12.20	**31.12.19**	**Change**
	S$'000	**S$'000**	**%**
Profit / (loss) for the year	3,234	(2,939)	n.m.
Currency translation gain arising from consolidation - net	2	49	(95.9)
Total comprehensive income / (loss) for the year	3,236	(2,890)	n.m.

n.m. denotes not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2020 S$'000	31.12.2019 S$'000	31.12.2020 S$'000	31.12.2019 S$'000
Current assets				
Cash and bank balances	27,411	24,510	22,691	22,502
Trade and other receivables	15,571	16,650	642	330
Inventories	3,322	3,237	-	-
	46,304	44,397	23,333	22,832
Non-current assets				
Other receivables	1,500	2,617	545	143
Investments in subsidiaries	-	-	212,154	213,287
Investment in an associate	1,730	1,969	1,730	1,969
Property, plant and equipment	22,635	27,069	1,663	729
Intangible assets	146,587	144,885	604	468
Deferred tax assets	714	-	-	-
	173,166	176,540	216,696	216,596
Total assets	219,470	220,937	240,029	239,428
Equity				
Share capital	277,433	277,433	277,433	277,433
Treasury shares	(236)	(438)	(236)	(438)
Share-based compensation reserve	235	235	235	235
Capital reserve	31	-	31	-
Currency translation reserve	799	797	-	-
Accumulated losses	(97,720)	(100,954)	(41,039)	(41,297)
Total equity	180,542	177,073	236,424	235,933
Current liabilities				
Trade and other payables	17,777	19,858	1,610	3,013
Current income tax liabilities	29	37	-	-
Lease liabilities	7,884	7,838	730	424
Borrowings	872	973	-	-
	26,562	28,706	2,340	3,437
Non-current liabilities				
Borrowings	1,507	2,403	-	-
Deferred income tax liabilities	1,178	1,178	-	-
Provisions	1,707	1,319	105	58
Lease liabilities	7,543	10,118	1,160	-
Other payables	431	140	-	-
	12,366	15,158	1,265	58
Total liabilities	38,928	43,864	3,605	3,495
Total equity and liabilities	219,470	220,937	240,029	239,428

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

The Group's borrowings consist of only secured borrowings and are repayable as follows:

	As at	
	31.12.2020	31.12.2019
	S$'000	S$'000
Amount repayable within one year	872	973
Amount repayable after one year	1,507	2,403

The borrowings are secured by the legal titles of leased property, plant and equipment and corporate guarantee from the Company.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	12 months ended	
	31.12.20 S$'000	**31.12.19 S$'000**
Cash flows from operating activities		
Profit /(loss) before income tax	2,520	(2,980)
Adjustments for:		
Amortisation of intangible assets	26	-
Depreciation of property, plant and equipment	10,757	10,891
Loss on disposal of property, plant and equipment	228	11
Property, plant and equipment written off	32	262
Impairment loss on trade and other receivables	973	1,044
Write back of provisions for onerous lease contracts	(20)	(109)
Interest expense	965	1,032
Interest income	(140)	(311)
Unrealised currency translation loss - net	1	1
Share-based compensation expense	235	235
Share of loss of associate	239	139
	15,816	10,215
Changes in working capital:		
Inventories	(85)	(311)
Trade and other receivables	1,222	(2,199)
Trade and other payables	(2,079)	(1,132)
Provisions	(135)	(170)
Cash generated from operations	14,739	6,403
Income tax payment	(8)	(6)
Net cash generated from operating activities	**14,731**	**6,397**
Cash flows from investing activities		
Additions to property, plant and equipment	(347)	(5,028)
Additions to intangible assets	(161)	(258)
Acquisition of clinics	(1,080)	(1,800)
Proceeds from disposal of property, plant and equipment	-	55
Investment in an associate	-	(2,108)
Interest received	140	311
Net cash used in investing activities	**(1,448)**	**(8,828)**
Cash flows from financing activities		
Purchase of treasury shares	-	(438)
Repayment of borrowings	-	(86)
Bank balances pledged	(16)	(50)
Proceeds from other secured borrowings	-	3,796
Repayment of other secured borrowings	(998)	(799)
Principal payment of lease liabilities	(8,422)	(7,887)
Interest paid	(965)	(1,024)
Net cash used in financing activities	**(10,401)**	**(6,488)**
Net increase/(decrease) in cash and cash equivalents	**2,882**	**(8,919)**
Cash and cash equivalents		
Beginning of financial year	23,852	32,773
Effect of exchange rate fluctuations on cash held	2	(2)
End of financial year	**26,736**	**23,852**

Cash and cash equivalents comprised:	As at	
	31.12.20 S$'000	31.12.19 S$'000
Cash and bank balances	27,411	24,510
Fixed deposits & balances pledged as collaterals	(675)	(658)
	26,736	**23,852**

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Ordinary shares	Treasury shares	Share-based compensation reserve	Currency translation reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group - Current year							
Balance as at 1 January 2020	**277,433**	**(438)**	**235**	**797**	**-**	**(100,954)**	**177,073**
Profit for the year	-	-	-	-	-	3,234	3,234
Foreign exchange differences	-	-	-	2	-	-	2
Total comprehensive income for the year	**-**	**-**	**-**	**2**	**-**	**3,234**	**3,236**
Treasury shares reissued pursuant to Share-based compensation plans	-	202	(235)	-	33	-	-
Value of employee services	-	-	235	-	-	-	235
Share reissuance expenses	-	-	-	-	(2)	-	(2)
Total transactions with owners, recognised directly in equity	**-**	**202**	**-**	**-**	**31**	**-**	**233**
Balance as at 31 December 2020	**277,433**	**(236)**	**235**	**799**	**31**	**(97,720)**	**180,542**
Group - Previous year							
Balance as at 31 December 2018	277,433	-	-	748	-	(97,622)	180,559
Adoption of SFRS(I) 16	-	-	-	-		(393)	(393)
Balance as at 1 January 2019	**277,433**	**-**	**-**	**748**	**-**	**(98,015)**	**180,166**
Loss for the year	-	-	-	-		(2,939)	(2,939)
Foreign exchange differences	-	-	-	49		-	49
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**49**		**(2,939)**	**(2,890)**
Purchase of treasury shares	-	(438)	-	-		-	(438)
Value of employee services	-	-	235	-	-	-	235
Total transactions with owners, recognised directly in equity	**-**	**(438)**	**235**	**-**	**-**	**-**	**(203)**
Balance as at 31 December 2019	**277,433**	**(438)**	**235**	**797**	**-**	**(100,954)**	**177,073**

	Ordinary shares	Treasury shares	Share-based compensation reserve	Currency translation reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company - Current year							
Balance as at 1 January 2020	**277,433**	**(438)**	**235**	**-**	**-**	**(41,297)**	**235,933**
Profit for the year	-	-	-	-		258	258
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**258**	**258**
Treasury shares reissued pursuant to Share-based compensation plans	-	202	(235)	-	33	-	-
Value of employee services	-	-	235	-	-	-	235
Share reissuance expenses	-	-	-	-	(2)	-	(2)
Total transactions with owners, recognised directly in equity	**-**	**202**	**-**	**-**	**31**	**-**	**233**
Balance as at 31 December 2020	**277,433**	**(236)**	**235**	**-**	**31**	**(41,039)**	**236,424**
Company - Previous year							
Balance as at 31 December 2018	277,433	-	-	-	-	(41,112)	236,321
Adoption of SFRS(I) 16	-	-	-	-	-	(101)	(101)
Balance as at 1 January 2019	**277,433**	**-**	**-**	**-**	**-**	**(41,213)**	**236,220**
Loss for the year	-	-	-	-	-	(84)	(84)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(84)**	**(84)**
Purchase of treasury shares	-	(438)	-	-		-	(438)
Value of employee services	-	-	235	-	-	-	235
Total transactions with owners, recognised directly in equity	**-**	**(438)**	**235**	**-**	**-**	**-**	**(203)**
Balance as at 31 December 2019	**277,433**	**(438)**	**235**	**-**	**-**	**(41,297)**	**235,933**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares

	As at 31 December 2020		As at 31 December 2019	
	Number of shares	Amount S$	Number of shares	Amount S$
Ordinary shares excluding treasury shares	4,519,341,200	277,197,258	4,511,226,300	276,994,722

Ordinary shares (excluding treasury shares) increased by 8,114,900 shares, amounting to approximately S$202,536 upon transfer of treasury shares in satisfaction of share awards vested pursuant to the Healthway Medical Performance Share Plan in FY2020.

Convertibles

The Company did not have any outstanding convertibles as at 31 December 2020 (31 December 2019: Nil).

Treasury shares

	Number of shares	Amount S$
Treasury shares as at 31 December 2019	17,565,800	438,292
Less: Treasury shares reissued pursuant to Share-based compensation plans	(8,114,900)	(202,536)
Balance as at 31 December 2020	**9,450,900**	**235,756**

As at 31 December 2020, the number of treasury shares represented 0.21% (31 December 2019: 0.39%) of the total number of issued shares.

Subsidiary Holdings

The Company did not have subsidiary holdings as at 31 December 2020 (31 December 2019: Nil)

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.12.20	As at 31.12.19
Total number of issued shares excluding treasury shares	4,519,341,200	4,511,226,300

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company transferred 8,114,900 treasury shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan during FY2020 (FY2019: Nil). Save as disclosed, there are no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable. The figures for the financial year ended 31 December 2020 have not been reviewed by the Company's auditors. The audited figures for the financial year ended 31 December 2019 did not have any modifications or emphasis of matter.

3A. 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. The Group's latest financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year compared to the Group's most recently audited financial statements for the financial year ended 31 December 2019.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	12 months ended	
	31.12.20	**31.12.19**
Basic and diluted profit / (loss) per ordinary share (Singapore cents) [(a)]	0.07 [(b)]	(0.06) [(b)]

(a) Basic and diluted profit / (loss) per share of the Group for the year ended 31 December 2020 are calculated based on the weighted average number of ordinary shares in issue of 4,517,434,420 (31 December 2019: 4,523,769,688).

(b) The respective basic and diluted profit / (loss) per share for the Group for the year ended 31 December 2020 and 31 December 2019 were the same as there were no potentially dilutive ordinary shares as at the end of the respective financial periods.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

a) current financial period reported on; and
b) immediately preceding financial year.

	Group		Company	
	As at 31.12.20	**As at 31.12.19**	**As at 31.12.20**	**As at 31.12.19**
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	3.99	3.93	5.24	5.23

The net asset value per ordinary share of the Group and the Company as at 31 December 2020 were calculated based on the total number of issued shares, excluding treasury shares, of 4,519,341,200 (31 December 2019: 4,511,226,300).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the followings: -

a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of performance

The Coronavirus Disease 2019 ("COVID-19") outbreak which evolved into a pandemic, disrupted economic activities globally including Singapore. Singapore government introduced the circuit breaker measures during first half of FY2020 ("1H 2020") to curb the community transmission, which resulted in a drop in mobility during 1H 2020, which in turn reduces patient volumes and in particular, for the Primary Healthcare Segment and Specialist Healthcare Segment. The Group's revenue improved during 2H 2020 post-circuit breaker, with the gradual relaxation in measures introduced by the Singapore government to manage the spread of COVID-19.

With more people staying home on an annual basis in FY2020, there was a drop in the patient volume for both the Primary Healthcare Segment and Specialist Healthcare Segment. Additionally, mandatory deferment of elective surgeries imposed by the Singapore as part of the circuit breaker measures further impacted revenue for the Specialist Healthcare Segment in FY2020.

The decrease in Group's revenue by S$16.8 million for FY2020 is mainly attributable to the decrease in revenue of S$7.8 million from the Primary Healthcare Segment and S$9.0 million from the Specialist Healthcare Segment impacted by the COVID-19 pandemic for the reasons set out above.

Other income increased by S$3.1 million mainly due to rental and property tax rebate and various wage credits from the government.

The decrease in operating costs was mainly due to:- (a) reduction in staff cost of S$14.8 million arising mainly due to lower business activities arising from the COVID-19 and grants received under the Job Support Scheme as part of the COVID-19 support measures announced by the Singapore Government; (b) reduction in medical supplies, consumables and laboratory expenses by S$3.2 million in line with the decrease in patient volume; (c) reduction in other operating expenses of S$0.9 million due to lower business activities; and (d) decrease in both rental expenses and impairment loss on trade and other receivables by S$0.1 million and $0.2 million respectively.

The income tax credit of S$0.7 million were recognised for tax losses and capital allowances carried forward to the extent that the Group is able to assess that the realisation of such related tax benefits through taxable profits is probable.

As a result of the above, the Group's net profit before income tax for FY2020 was S$2.5 million as compared to a net loss before income tax of S$3.0 million in FY2019 and the net profit attributable to shareholders for FY2020 was S$3.2 million as compared to net loss attributable to shareholders of S$2.9 million for FY2019.

Financial position

Current assets were S$46.3 million as at 31 December 2020, S$1.9 million higher than S$44.4 million as at 31 December 2019. The increase was mainly due to increase in:- (a) cash balances by S$2.9 million; (b) deposit and other receivables by S$1.4 million, primarily due to a reclassification of deposits from non-current to current; and (c) inventories by S$0.1 million; offset by decrease in trade receivables of S$2.5 million mainly due to decrease in revenue and impairment loss on trade and other receivables of S$1.0 million.

Non-current assets decreased by S$4.0 million from S$176.5 million as at 31 December 2019 to S$172.5 million as at 31 December 2020, mainly due to the following:-

(a) Decrease in property, plant and equipment due to depreciation charged during the financial period; offset by increase in right-of-use ("ROU") assets arising from the renewal of existing leases for clinic premises;

(b) decrease in investment in associates mainly due to net share of loss attributable to the Company;

(c) decrease in other receivables mainly due to reclassification of rental deposits from non-current to current assets; and

(d) increase in intangible assets due to Goodwill arising from the acquisition of a General Practitioner Clinic in 1H 2020.

Non-current liabilities decreased by S$2.8 million mainly due to principal repayment of secured borrowings of S$0.9 million and decrease in lease liabilities of S$2.6 million which is in line with the reduction in net right-of-use assets of S$2.6 million for the expiration of leases and reclassification to operating leases; offset by increase in provisions and other payables of S$0.7 million.

Current liabilities were S$26.6 million as at 31 December 2020, a decrease of S$2.1 million from S$28.7 million as at 31 December 2019. This was mainly due to decrease in trade payables by S$1.3 million due to reduction in procurement for drugs and consumables which is in line with the decrease in patient volume and revenue, decrease in other payables and accruals of S$0.8 million and decrease in secured borrowings by S$0.1 million.

The Group had a positive working capital of S$19.7 million as at 31 December 2020.

Cash flow statement

As at 31 December 2020, the Group had cash and cash equivalents amounting to S$26.7 million, net of fixed deposits pledged of S$0.7 million.

The significant cash movements during FY2020 can be summarised as follows: -

Cash flow generated from operating activities for FY2020 amounted to S$14.7 million as a result of operating cash inflow before changes in working capital of S$15.8 million, adjusted for net working capital outflow of S$1.1 million. The net working capital outflow was mainly due to decrease in:- (a) trade and other payables of S$2.1 million mainly due to reduction in procurement for drugs and consumables which is in line with the decrease in patient volume and revenue; (b) decrease in provision of S$0.1 million and (c) increase in inventories of S$0.1 million, offset by reduction in trade and other receivables of S$1.2 million in line with the decrease in revenue for FY2020.

Cash flow used in investing activities for FY2020 was S$1.4 million, mainly due to purchase of property, plant and equipment of S$0.3 million, acquisition of a General Practitioner clinic of S$1.1 million and addition of intangible assets of S$0.2 million, offset by interest received of S$0.1 million.

Cash flow used in financing activities for FY2020 was S$10.4 million, mainly due to repayment of secured borrowings of S$1.0 million, payment of lease liabilities of S$8.4 million and payment of interest expenses of S$1.0 million.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

10. 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.

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.

More than a year since the Coronavirus Disease 2019 (COVID-19) outbreak, a critical milestone has been reached with the approval of a number of vaccines and the consequent development of rollout policies across the nations. However, even as we approach this juncture with optimism, arriving at the post-pandemic era requires continued vigilance, heightened preparedness and the ongoing development of essential infrastructures and cold-chain management to facilitate the effective deployment of vaccines to the population.

In Singapore, key stakeholders have worked cohesively to manage the COVID-19 situation, giving rise to the relaxation of restrictions with the announcement of Phase 3 on 28 December 2020. However, attaining the goal of inoculating the entire population within the year will not only be a complex task with evolving considerations, but also one that calls for a concerted effort from all stakeholders to support this goal.

As Singapore moves ahead through this critical phase of battling the pandemic, we remain steadfast in our support for the nationwide efforts to encourage the uptake and administration of vaccines in a timely and safe manner. Pursuant to a Government contract awarded, we currently manage one vaccination centre. Healthway will continue to support the government's range of initiatives, not only through vaccination efforts, but also through performing COVID-19 PCR and serology testing.

Anticipating an increase in business and individual travel, a nationwide push was also initiated by the Ministry of Health mandating the issuance of digital pre-departure test (PDT) certificates across all healthcare providers. At present, Healthway Medical offers PDTs at 38 of our General Practitioner (GP) clinics, with digital PDT certificates issued to our patients.

Looking ahead, the Group will remain adaptable, prudent and responsive as it continues to tackle the largely uncharted waters of the pandemic while remaining focused on delivering sustainable value to our shareholders.

11. If a decision regarding dividend has been made: -

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

No dividends have been declared or recommended for the current financial period as the Company intends to conserve cash for future business expansion opportunities.

(b)(i) Amount per share (cents)
Not applicable.

(b)(ii) Previous corresponding period (cents)
Not applicable.

(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 the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.
Not applicable.

(e) Book closure date
Not applicable.

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

No dividends have been declared or recommended for the current financial period reported as the Company intends to conserve cash for future business expansion opportunities.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from its shareholders for Interested Person Transactions ("IPT").

The details of interested person transactions during FY2020 entered into by the Group are set out below.

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions the financial period under review which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Leasing IPT			
DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust **("OUE C-REIT") ("DBS Trustee")**[1]	Associates of - Lippo Limited, - Lippo Capital Limited, - Lippo Capital Holdings Company Limited, - Lippo Capital Group Limited and - Dr Stephen Riady (together, the "Relevant Persons") [3]	S$2,339,241	-
Subleasing IPT			
OUE Lippo Healthcare Limited **("OUELH")**[2]	OUELH is considered as an associate of each of the Relevant Persons[3]	S$777,672	-
TOTAL		**S$3,116,913**	**-**

Notes:-

[1] The Company had on 30 July 2020 accepted letter of offer issued by DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust **("OUE C-REIT")**) **("DBS Trustee")** to lease units located at OUE Downtown Gallery ("**Premises**"). OUE C-REIT is considered an associate of HMC's controlling shareholders.

[2] The Company had also on 29 July 2020 entered into a sub-lease agreement with OUE Lippo Healthcare Limited ("**OUELH**") (formerly known as International Healthway Corporation Limited) for the sublease of unit #10-09A of the Premises for a period of three (3) years commencing from 1 August 2020 (the "**OUELH Sublease**").

[3] Please refer to announcement dated 30 July 2020 for further details.

14. Use of Proceeds from Tranche 2 of Convertible Notes ("T2 CN B")

The net proceeds from the issuance of T2 CN B, which was completed on 21 April 2017, was approximately S$59.8 million (after deducting estimated expenses of S$0.2 million) ("**T2 Net Proceeds**"). On 29 December 2017, the Company announced certain reallocation of the T2 Net Proceeds. Subsequent thereto, the Company had on 8 August 2018 regrouped the initial intended use of proceeds ("**Regrouping**") and reallocate the balance unutilised proceeds ("**Further Re-Allocation**"). On 2 July 2019, the Company has extended the intended use of proceeds to include the acquisition of other business supplementary or complementary to the existing business of the Group ("**Change in Use**"). As at 25 February 2021, the T2 Net proceeds have been utilised as follows:

Intended purposes after Regrouping and Change in Use	**Amount allocated after Regrouping and Further Re-allocation** **(S$ million)**	**Amount utilised as at 25 February 2021** **(S$ million)**	**Amount unutilised as at 25 February 2021** **(S$ million)**
Working capital	39.80	35.86(1)	3.94
Acquisition and investment in GP and Specialist clinics and any other business supplementary or complementary to the existing business of the Group	20.00	5.32	14.68
	59.80	**41.18**	**18.62**

Note:-

(1) Mainly for the repayment of loans, payment of salaries, payments to suppliers and renovation costs.

The utilisation was in accordance with the intended purposes stated following the Change in Use as stated in the Company's announcement dated 2 July 2019.

15. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

As announced by the Company on 2 July 2019, the Company had entered into a share subscription agreement with Fully Holdings Pte. Ltd. ("**Fully Holdings**") and its existing shareholders to subscribe for 2,000,000 new ordinary shares in the capital of Fully Holdings at a subscription price of S$1.00 per share ("**Subscription Price**") (the "**Subscription**").

Further, as announced by the Company on 27 October 2020, Fully Holdings has entered into a share subscription agreement dated 27 October 2020 (the "**BLSB SSA**") with a new investor, BLoyalty Sdn. Bhd. ("**BLSB**") and the existing shareholders of Fully Holdings. As a result of the new investment from BLSB, the Company's holding in the share capital of Fully Holdings has reduced from 16.67% to

15.68%. Notwithstanding the reduction in shareholdings, Fully Holdings is still accounted for as associated company of the Company.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

The Group has two reportable segments, as described below, which are the Group's strategic business units.

- Primary Healthcare comprising family medicine, dentistry, healthcare benefit management and investment in strategic medical related business; and
- Specialist Healthcare which comprises paediatrics, orthopaedics, obstetrics and gynaecology and Nobel specialist comprising cardiology, gastroenterology, psychiatry, eye, ear, nose and throat and general surgery.

Major Customer

The Group does not rely on a single external customer for 10% or more of the Group's revenue.

The segment information for the reportable segments are as follows:

	← Singapore →		China	
	Primary Healthcare	Specialist Healthcare	Specialist Healthcare	Total
2020	S$'000	S$'000	S$'000	S$'000
Sales				
Total segment sales and sales to external parties	50,497	46,936	-	97,433
EBITDA	8,152	6,288	(73)	14,367
Depreciation of property, plant and equipment	6,982	3,773	2	10,757
Amortisation of intangible assets	26	-	-	26
Segment assets	113,837	85,377	35	199,249
Segment assets includes:				
- Additions to property, plant and equipment	4,192	2,761	-	6,953
- Additions to intangible assets	1,703	-	-	1,703
Segment liabilities	22,740	12,231	370	35,341

2019	Singapore: Primary Healthcare S$'000	Singapore: Specialist Healthcare S$'000	China Specialist Healthcare S$'000	Total S$'000
Sales				
Total segment sales and sales to external parties	58,311	55,936	-	114,247
EBITDA	2,998	5,903	(130)	8,771
Depreciation of property, plant and equipment	7,069	3,814	8	10,891
Amortisation of intangible assets	-	-	-	-
Segment assets	115,021	88,777	97	203,895
Segment assets includes:				
- Additions to property, plant and equipment	11,640	4,212	1	15,853
- Additions to intangible assets	2,333	-	-	2,333
Segment liabilities	23,605	15,300	369	39,274

A reconciliation of EBITDA to loss before income tax is as follows:

	Group 2020 S$'000	Group 2019 S$'000
EBITDA for reportable segments	14,367	8,771
Depreciation and amortisation of property, plant and equipment	(10,757)	(10,891)
Amortisation of intangible assets	(26)	-
Interest income	140	311
Finance expenses	(965)	(1,032)
Share of loss of associate	(239)	(139)
Profit / (loss) before income tax	2,520	(2,980)

Geographical information

The Group operates in Singapore.

(b) Geographical information

	Sales for continuing operations 2020 S$'000	Sales for continuing operations 2019 S$'000
Singapore	97,433	114,247
	97,433	114,247

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Performance by business segment

For FY2020, Primary Healthcare segment contributed a higher proportion to the Group's revenue compared to Specialist Healthcare segment. On a year-on-year basis, revenue for Primary Healthcare segment had declined by 13.4% compared to a decline in revenue of 16.3% for Specialist Healthcare segment as explained in the paragraph 8 above.

Performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation ("EBITDA") for continuing operations.

The EBITDA for the Primary Healthcare segment had increased by S$5.1 million in FY2020 compared to FY2019 whereas EBITDA for Specialist Healthcare segment increased by S$0.4 million in FY2020 compared to FY2019.

The overall increase in EBITDA in FY2020 for Primary Healthcare and Specialist Healthcare segment was mainly attributable to reduction in operating costs and government grants received under COVID-19 support measures for reasons set out in paragraph 8 above.

Performance by geographical segment

There are no significant changes in the contribution to the Group's revenue by Singapore operations in FY2020 as compared to FY2019.

18. A breakdown of sales.

	Group		
	2,020	**2019**	**Change**
	S$'000	**S$'000**	**%**
Sales reported for first half-year	45,711	55,333	(17.4)
Loss reported for first half-year	(544)	(1,754)	(69.0)
Sales reported for second half-year	51,722	58,914	(12.2)
Profit / (loss) reported for second half-year	3,778	(1,185)	n.m.

n.m. denotes not meaningful.

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

Not applicable. No dividends have been declared or recommended for the current financial period reported on and in FY2019.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10). If there are no such persons, the issuer must make an appropriate negative statement.

Name	**Age**	**Family relationship with any director, CEO and/or substantial shareholder**	**Current position and duties, and the year the position was first held**	**Details of changes in duties and position held, if any, during the year**
Abram Melkyzedeck Suhardiman	**32**	**Son-in-law** of Mr Stephen Riady, the Non-Executive Non-Independent Director, Deputy CEO and deemed substantial shareholder of the Company	Chief Operating Officer since 2017, appointed and re-elected as Executive Director effective 26 April 2019 and 6 July 2020 respectively, and redesignated as Deputy CEO effective 10 February 2020. Responsible in overseeing the Group's operation and corporate support functions including finance, legal, marketing, human resources, corporate communications and information technology divisions	N.A.

21. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Raymond Lam
Company Secretary
25 February 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.