

# HEALTHWAY MEDICAL CORPORATION LIMITED

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

Minutes of the Fifteenth Annual General Meeting of Healthway Medical Corporation Limited  
(**Company**) held by way of electronic means on 27 April 2022 (Wednesday) 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 Deputy Chief Executive Officer)  
Mr. Chen Yeow Sin (Lead Independent Director)  
Ms. Aliza Knox (Independent Director)

### Absent with Apologies

Dr. Stephen Riady (Non-Independent Non-Executive Director)

### Key Management

Dr. Khor Chin Kee (Chief Executive Officer) (**CEO**)  
Mr. Sheth Sachin Sudhirbhai (Chief Financial Officer) (**CFO**)

*(The full attendance lists of invitees, shareholders, 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 (**Chairman**), Independent Chairman, welcomed all shareholders (**Shareholders**) to the Fifteenth Annual General Meeting of the Company (**AGM** or **Meeting**) 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, of the Company's key achievements for the financial year ended 31 December 2021 (**FY2021**). It was noted that the Company continued to make pivotal contributions to the nation-wide efforts to fight the COVID-19 pandemic and had extended active and full-fledged support to the Singapore Government's initiatives to inoculate the population and manage past and emergent waves of COVID-19 infections. The Company had successfully acquired Sinopharm COVID-19 vaccines through the Ministry of Health's Special Access Route and began administering the first batch of these vaccines at its GP clinics island-wide since September last year. The GP clinics continued to offer PCR swab tests, Antigen Rapid Tests (**ARTs**) and serology tests, in support of Singapore's efforts to curb transmission through pervasive testing. The GP clinics also provided frontline support in attending to mild COVID-19 cases in the community, which eased the burden for local hospitals and freed up resources for them to treat patients with serious COVID-19 conditions. In addition, the Company supported projects initiated by the Singapore Government to manage the COVID-19 outbreak, including vaccination centres, mobile vaccination projects and Quick Test Centres (QTC) and had forged ahead with strong commitment in the past year to its long-term goals of providing quality services, value and accessibility through its extensive network of primary and specialist clinics in Singapore.

Shareholders were informed that although the availability of vaccines had enabled the gradual resumption of social and economic activities to pre-pandemic levels in Singapore, the Company, in recognising the importance of continuous strengthening and evolving of its services to respond to the rapidly changing environment, had continued to expand its network of services in the Primary Care and Specialist disciplines. In line with the Singapore Government's launch of Healthier SG; a new strategy aimed at expanding preventive care for residents across Singapore, the Company continued to widen its chain of GP clinics to meet the growing demands of the Primary Care sector. A key milestone of such efforts was HMC's investment in a Primary Healthcare chain in October 2021 to expand medical services across Singapore, especially within the central business district. The Chairman noted that with this acquisition, the Company has become the largest outpatient clinic chain in Singapore, consistent with its strategy to strengthen the Company's Primary Care network, so as to advance its position to (i) provide preventive care solutions, (ii) better manage chronic conditions, (iii) improve quality of life and (iv) reduce the risk of costly downstream complications for a larger pool of patients and community.

In addition to the above, the Company had also gained good progress in expanding its repertoire of specialist doctors, from growing the paediatric and orthopaedic specialities to launching new verticals across the full spectrum of adult specialist disciplines. Moving forward, and as Singapore transitions to living with COVID-19, the Company would continue to anchor its strategies on broadening its Primary Care and Specialist networks to cater to the emerging healthcare needs.

For FY2021, the Company and its subsidiaries (collectively, the **Group**) recorded S\$139.9 million in revenue, against revenue of S\$97.4 million for the financial year ended 31 December 2020 (**FY2020**). This represented another milestone in the Company's journey over the past five years to restore its financial health. The Company had steadily progressed from a loss of S\$34.8 million in FY2017, to register two consecutive years of profit in FY2020 and FY2021 respectively. The revenue growth of S\$42.5 million or 43.6% in FY2021 was attributed to the increase in revenue of S\$37.0 million from the Primary Healthcare Segment. This was underpinned by recovery in patient volume from FY2020, complemented by revenue from the COVID-19 vaccination centres, Polymerase Chain Reaction (PCR) and serology testing and migrant worker dormitory projects. The Group also recorded an increase in revenue of S\$5.5 million from the Specialist Healthcare Segment driven by a rise in demand compared to FY2020 when non-essential medical services were suspended during the circuit breaker period. The increase in total expenses by S\$33.4 million was mainly due to the (i) increase in staff cost of S\$23.4 million, (ii) rise in cost of medical supplies, consumables and laboratory expenses by S\$8.3 million and (iii) other operating expenses by S\$2.7 million. Overall, the Group's net profit after income tax for FY2021 was S\$10.7 million. compared to a net profit after income tax of S\$3.2 million in FY2020. The profit attributable to Shareholders was S\$10.8 million, after allocating loss attributable to non-controlling interests of S\$0.1 million.

The Chairman took the opportunity to commend and applaud the Group's frontline staff, doctors, clinical professionals and healthcare personnel for their unwavering tenacity, dedication and sacrifices, to provide the highest quality of care for the Group's patients during the past trying period. On behalf of the Board and Management, the Chairman also expressed his deepest gratitude to the Shareholders for their enduring trust and strong support over the years.

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 and Polling Agents were also noted for records.

As a quorum was present, Chairman declared the Meeting opened. The Notice of AGM dated 4 April 2022 which had been announced via SGXNet on 1 April 2022 was taken as read.

Chairman reminded Shareholders that the Meeting was a private event strictly for shareholders of the Company, Board of Directors and the invitees and reiterated that any recording of the Meeting by Shareholders in whatever form, was strictly prohibited.

### **QUESTIONS & ANSWERS**

The Meeting noted that the answer to a substantial and relevant question submitted by a shareholder in advance of the Meeting had been addressed and posted on the Company's Investor Relations website as well as announced via SGXNet on 21 April 2022.

Shareholders were further informed that they could submit their questions at any time during the AGM by clicking on the "Ask a Question" feature at the bottom left corner of the webcast. Such questions would be addressed during the "live" question and answer session of the AGM.

### **CONDUCT OF THE VOTING**

The Meeting noted that a member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its Proxy to cast votes according to his/her/their instructions and all resolutions at the Meeting would be voted by way of a poll in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST and the Company's Constitution (**Poll**).

The Company had appointed Convene SG Pte. Ltd., as polling agent and Reliance 3P Advisory Pte. Ltd., as scrutineers for the purposes of the Poll. It was noted that the validity of the proxy forms submitted by Shareholders by the submission deadline on 25 April 2022 (Monday) at 2:00 p.m., had been counted by the polling agent and verified by the scrutineer.

### **ORDINARY BUSINESS**

#### **1. ORDINARY RESOLUTION 1 – DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

1.1 The Chairman proposed and tabled Ordinary Resolution 1 to be considered for approval:

"That the Directors' Statement and Audited Financial Statements for the year ended 31 December 2021 together with the Independent Auditor's Report thereon, be and are hereby received and adopted."

1.2 The votes have been counted and verified as follows:

#### Ordinary Resolution 1

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,094,809,154	99.78	6,874,500	0.22

The resolution was declared carried.

**2. ORDINARY RESOLUTION 2 – RE-ELECTION OF MR SIN BOON ANN AS A DIRECTOR**

- 2.1 As ordinary resolution 2 was in relation to the re-election of the Chairman as a Director of the Company, the Lead Independent Director, Mr. Chen Yeow Sin, was invited to take over the chair for this segment of the Meeting.
- 2.2 Mr. Chen informed the Meeting that in accordance with Regulation 98 of the Company's Constitution (**Constitution**) and Rule 720(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (**Catalist Rules**), Mr. Sin Boon Ann shall retire as Director by rotation at the AGM.
- 2.3 Mr. Sin, whom had signified his consent to continue in office, would upon re-election as a Director of the Company, continue to serve as an Independent Chairman of the Company, Chairman of the Remuneration Committee and a member of the Nominating Committee, and the Audit and Risk Committee respectively.
- 2.4 Mr. Chen proposed the following ordinary resolution:  
"That Mr. Sin be re-elected as a Director of the Company."
- 2.5 The votes have been counted and verified as follows:

Ordinary Resolution 2

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,093,939,416	99.76	7,439,500	0.24

The resolution was declared carried.

**3. ORDINARY RESOLUTION 3 – RE-ELECTION OF MR ABRAM MELKYZEDECK SUHARDIMAN AS A DIRECTOR**

- 3.1 Chairman informed the Meeting that in accordance with Regulation 98 of the Constitution and Rule 720(4) of the Catalist Rules, Mr. Abram Melkyzedek Suhardiman shall retire as Director by rotation at the AGM.
- 3.2 Mr. Suhardiman whom had signified his consent to continue in office, would upon re-election as a Director of the Company, continue to serve as an Executive Director and Deputy Chief Executive Officer of the Company.
- 3.3 The Chairman proposed the following ordinary resolution:  
"That Mr. Suhardiman be re-elected as a Director of the Company."
- 3.4 The votes have been counted and verified as follows:

Ordinary Resolution 3

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,094,809,154	99.78	6,874,500	0.22

The resolution was declared carried.

**4. ORDINARY RESOLUTION 4 – DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4.1 The Chairman informed the Meeting that the Board had recommended S\$192,500 being payment of Directors’ Fees for the financial year ended 31 December 2021.

4.2 He proposed and tabled the following ordinary resolution to be considered for approval:

“That the payment of Directors’ Fees of S\$192,500 for the financial year ended 31 December 2021 be approved.”

4.3 The votes have been counted and verified as follows:

Ordinary Resolution 4

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,094,809,154	99.78	6,874,500	0.22

The resolution was declared carried.

**5. ORDINARY RESOLUTION 5 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS AUDITORS**

5.1 Shareholders were requested to approve the re-appointment of Messrs Ernst & Young LLP as auditors of the Company to 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.

5.2 The Chairman proceeded to propose and table the following ordinary resolution:

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

5.3 The votes have been counted and verified as follows:

Ordinary Resolution 5

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,094,809,154	99.78	6,874,500	0.22

The resolution was declared carried.

**SPECIAL BUSINESS**

**6. ORDINARY RESOLUTION 6 – AUTHORITY TO ALLOT AND ISSUE NEW SHARES**

6.1 The Chairman proposed and tabled the following ordinary resolution to be considered for approval:

“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."

6.2 The votes have been counted and verified as follows:

Ordinary Resolution 6

Total number of shares represented by votes cast	FOR		AGAINST	
	No. of shares	%	No. of shares	%
3,101,378,916	3,093,939,416	99.76	7,439,500	0.24

The resolution was declared carried.

**7. LIVE QUESTION AND ANSWER SESSION (21.58)**

As all the resolutions had been duly proposed, the Chairman invited members of Management to address the substantial and relevant questions received from Shareholders through the live chat function during the AGM as set out below:

**Question 1**

**Can you please provide more financial details including goodwill and financial metrics on The Clinic Group acquisition and The Straits Podiatry acquisition?**

Response from the CFO:

The changes in the goodwill during the year was on account on the acquisition of EBH Capital Pte. Ltd and its subsidiaries. The details of the goodwill assets and tangible assets can be found on pages 124 and 125 of the Annual Report. Net goodwill recognized from the acquisition was about \$2.91 million.

The Straits Podiatry Pte Ltd is a company set up in March 2022. The acquisition is in line with our plan/intention to set up a podiatry clinic within the Group within the 2<sup>nd</sup> quarter of this financial year.

### **Question 2**

**It was a big disappointment that the Company did not declare its maiden dividend under the new management despite a 43.6% jump in net earnings in 2021. Being in a net cash position, it is a struggle to convince shareholders that the Company needed to conserve cash for future growth. A token dividend would send a very positive message that the Company appreciated the long-term support of its loyal shareholders. On that note, when can shareholders expect the Company to start paying dividend? Will the Company consider adopting a dividend policy?**

Response from the CFO:

The Company has mentioned in its various announcements the intention to conserve its cash for its future business expansion and acquisitions. However, at the board level, the Directors had considered adopting a dividend policy in the future.

Response from the Chairman:

The Group is mindful of the balance between rewarding our Shareholders with dividends, and at the same time, preserving cash for the development of the Company. We are mindful to ensure that our growth is positive and enhance Shareholders' value. Hopefully over time, our share price will pick up with the improved performance of the Company. That itself, together with the distribution of dividends as we continue to profit, will improve your shareholdings' value. Do rest assured that the distribution of dividends has always been something in our radar, but the timing is probably not now. We thank Shareholders for your patience.

### **Question 3**

**The performance of the Company's share price is dismal despite a commendable improvement in top and bottom line for 2021 and a net asset value of 4.17 cents. Could this be due to the lack of investors' interest and analysts' coverage? Is the Board looking into ways to inject some life into the Company's shares?**

Response from the Chairman:

We cannot predict how the share market is going to perform but I am confident that if the Company stays focus on its core business and continues to grow and do well, there will be accomplishments. With good governance, I am confident that the share price will improve, and I believe that this would be the case if we stay committed to our growth path. At the Company, Board and Management level, we



are all very focused in improving Shareholders' value, in terms of our business performance. I hope that Shareholders will continue to believe in us as we proceed to expand.

As you may note from my earlier speech, we are currently the biggest provider of primary health care services in Singapore, and we will continue to maintain that position and grow in the region as far as opportunities are available.

#### **Question 4**

**Please refer to Note 11, Page 104 – Trade and Other Receivables. The allowance for impairment loss of S\$3.486 million, is that legacy impairment loss? If not, what is a reasonable percentage of impairment loss on trade receivables given private healthcare business is expected to have a fairly low collection risk?**

Response from the CFO:

Thank you for this relevant and valid question. Please refer to Note 11 on page 103 of the Annual Report. As you may note, there is a significant improvement in the Company's collections, and drastic reductions in the loss ratio.

If you look at the comparative numbers in 2020, the provision for impairment loss of \$973K in 2020 had reduced to \$78K in FY2021. The Company has significantly improved its collection cycles across all the segments. As a result of that, provisions for impairment loss have reduced significantly over the years.

#### **Question 5**

**What is the rationale for the group to divest 40% of Healthway Dental Pte Ltd?**

Response from the Chairman:

On our side, we believe that to drive this business, the balance strategy forward is to partner with Dentist(s) to help us drive this area.

We feel that a partnership is the best way to grow this segment of our business, and this is a part of our strategy with regard to the dental area of our business.

Response from the CEO:

When we look at the skillset amongst our current management team, there is really no one who can bring us the necessary skillset to drive the dental business. But having said that, the Company has always believed strongly that if we could drive this business well, it could be a very strong additional vertical revenue to the Company.

The Company had engaged consultants in the past, but along the way, we realized the importance of having someone with the relevant entrepreneurial drive to run the operations and we happen to see this in the dental surgeon who will be partnering us, and we think that getting someone who really knows the business to partner with may be the better way.

**8. CONCLUSION**

There being no other business, the Chairman thanked shareholders for their attendance and support and declared the Meeting closed at 2:30 p.m.

**SIGNED AS TRUE RECORD OF PROCEEDINGS**

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