

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

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Condensed interim financial statements for the six
months ended 30 June 2022

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HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim consolidated statement of comprehensive income
For the six-month financial period ended 30 June 2022

	Note	Group		Change %
		6 months ended 30.06.2022 \$'000	6 months ended 30.06.2021 \$'000	
Revenue	3	79,989	66,411	20.4
Other income		1,672	976	71.3
Expenses by nature				
- Medical supplies, consumables and laboratory expenses		(13,986)	(12,912)	8.3
- Staff costs		(46,287)	(37,903)	22.1
- Depreciation of property, plant and equipment		(5,590)	(5,361)	4.3
- Amortisation of intangible assets		(267)	(61)	n.m.
- Rental on operating leases		(112)	(87)	28.7
- Impairment loss on trade and other receivables - net		66	(40)	n.m.
- Finance expenses		(444)	(392)	13.3
- Other expenses		(6,172)	(4,954)	24.6
Total expenses		(72,792)	(61,710)	18.0
Share of loss of associate		(185)	(120)	54.2
Profit before income tax	5	8,684	5,557	56.3
Income tax expenses	6	(1,208)	(133)	n.m.
Profit after tax for the financial period, representing total comprehensive income for the period		7,476	5,424	37.8
Attributable to:				
Equity holders of the Company		7,565	5,424	39.5
Non-controlling interests		(89)	-	n.m.
Profit per share attributable to owners of the Company (cents per share)				
Basic and diluted profit per share	11	0.17	0.12	39.2

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

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim statements of financial position
As at 30 June 2022

	Note	Group		Company	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	7	43,947	33,552	35,389	28,961
Trade and other receivables	8	18,081	23,382	275	338
Inventories		3,988	3,536	-	-
		66,016	60,470	35,664	29,299
Non-current assets					
Trade and other receivables	8	2,145	1,520	191	300
Investments in subsidiaries		-	-	200,446	207,397
Investment in an associate		1,244	1,430	2,108	2,108
Property, plant and equipment	13	24,833	21,724	611	983
Intangible assets	12	149,331	149,496	436	593
Derivative asset		605	605	-	-
Deferred income tax assets		1,484	1,484	-	-
		179,642	176,259	203,792	211,381
Total assets		245,658	236,729	239,456	240,680
LIABILITIES					
Current liabilities					
Trade and other payables	9	22,571	24,906	572	1,414
Current income tax liabilities		1,522	613	71	141
Borrowings	14	747	910	-	-
Lease liabilities		8,458	7,220	715	764
		33,298	33,649	1,358	2,319
Non-current liabilities					
Trade and other payables	9	3,340	3,491	-	-
Borrowings	14	224	508	-	-
Lease liabilities		9,588	7,888	66	395
Provisions		1,690	1,645	105	105
Deferred income tax liabilities		901	901	-	-
		15,743	14,433	171	500
Total liabilities		49,041	48,082	1,529	2,819
NET ASSETS		196,617	188,647	237,927	237,861
EQUITY					
Capital and reserves attributable to owners of the Company					
Share capital	15	277,630	277,433	277,630	277,433
Treasury shares	15	-	(33)	-	(33)
Other reserves	16	(3,148)	(2,918)	67	297
Accumulated losses		(78,577)	(86,152)	(39,770)	(39,836)
		195,905	188,330	237,927	237,861
Non-controlling interests		712	317	-	-
Total equity		196,617	188,647	237,927	237,861

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

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2022

Group	Share capital (Note 15) \$'000	Treasury shares (Note 15) \$'000	Share-based compensation reserve (Note 16) \$'000	Currency translation reserve (Note 16) \$'000	Capital reserve (Note 16) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non- controlling interests \$'000	Total equity \$'000
2022									
Balance at 1 January 2022	277,433	(33)	235	-	(3,153)	(86,152)	188,330	317	188,647
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	7,565	7,565	(89)	7,476
<u>Contributions by and distributions to owners</u>									
Treasury shares reissued pursuant to share-based compensation plans	-	33	(38)	-	5	-	-	-	-
New Shares issued	197	-	(197)	-	-	-	-	-	-
Dividends paid by subsidiaries	-	-	-	-	-	-	-	(20)	(20)
Dilution of interests in subsidiary without a change in control	-	-	-	-	-	10	10	504	514
Total contributions by and distributions to owners	197	33	(235)	-	5	10	10	484	494
Balance at 30 June 2022	277,630	-	-	-	(3,148)	(78,577)	195,905	712	196,617
2021									
Balance at 1 January 2021	277,433	(236)	235	799	31	(97,720)	180,542	-	180,542
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,424	5,424	-	5,424
<u>Contributions by and distributions to owners</u>									
Treasury shares reissued pursuant to share-based compensation plans	-	203	(235)	-	32	-	-	-	-
Share reissuance expenses	-	-	-	-	(1)	-	(1)	-	(1)
Total contributions by and distributions to owners	-	203	(235)	-	31	-	(1)	-	(1)
Balance at 30 June 2021	277,433	(33)	-	799	62	(92,296)	185,965	-	185,965

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

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2022

	Share capital (Note 15) \$'000	Treasury shares (Note 15) \$'000	Share-based compensation reserve (Note 16) \$'000	Capital reserve (Note 16) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000
Company						
2022						
Balance at 1 January 2022	277,433	(33)	235	62	(39,836)	237,861
Profit for the period, representing total comprehensive income for the period	-	-	-	-	66	66
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to share-based compensation plans	-	33	(38)	5	-	-
New shares issued	197	-	(197)	-	-	-
Total contributions by and distributions to owners	197	33	(235)	5	-	-
Balance at 30 June 2022	277,630	-	-	67	(39,770)	237,927
2021						
Balance at 1 January 2021	277,433	(236)	235	31	(41,039)	236,424
Profit for the period, representing total comprehensive income for the period	-	-	-	-	1,079	1,079
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to share-based compensation plans	-	203	(235)	32	-	-
Share reissuance expenses	-	-	-	(1)	-	(1)
Total contributions by and distributions to owners	-	203	(235)	31	-	(1)
Balance at 30 June 2021	277,433	(33)	-	62	(39,960)	237,502

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

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim statement of cash flows
For the year ended 30 June 2022

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	8,684	5,557
Adjustments for:		
- Depreciation of property, plant and equipment	5,590	5,361
- Amortisation of intangible assets	267	61
- Property, plant and equipment written off	12	91
- Impairment loss on trade and other receivables – net	(66)	40
- Gain on disposal of fixed assets	(9)	-
- Finance expenses	444	392
- Interest income	(30)	(26)
- Share of loss of associate	185	120
Operating cash inflows before changes in working capital	<u>15,077</u>	<u>11,596</u>
Changes in working capital:		
- Inventories	(452)	280
- Trade and other receivables	4,746	(5,229)
- Trade and other payables	(2,376)	3,551
- Provisions	(89)	(16)
Cash flows generated from operations	<u>16,906</u>	<u>10,182</u>
Income tax paid	(299)	-
Net cash flows generated from operating activities	<u>16,607</u>	<u>10,182</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,291)	(556)
Purchase of intangible assets	(102)	(37)
Acquisition of clinics	(196)	(336)
Proceeds on disposal of property, plant and equipment	131	-
Interest received	30	26
Net cash flows used in investing activities	<u>(1,428)</u>	<u>(903)</u>
Cash flows from financing activities		
Bank deposits pledged	(43)	-
Dividends paid to non-controlling interests	(20)	-
Proceeds from the dilution of subsidiary's shares	514	-
Loan from subsidiary's non-controlling interest	84	-
Repayment of other secured borrowings	(447)	(432)
Principal payment of lease liabilities	(4,471)	(4,432)
Interest paid	(444)	(392)
Net cash flows used in financing activities	<u>(4,827)</u>	<u>(5,256)</u>
Net increase in cash and cash equivalents	10,352	4,023
Cash and cash equivalents at the beginning of financial period	32,877	26,736
Effects of currency translation on cash and cash equivalents	-	-
Cash and cash equivalents at the end of financial period	<u>43,229</u>	<u>30,759</u>

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

HEALTHWAY MEDICAL CORPORATION LIMITED
(Co. Regn. No: 200708625C)

Condensed interim statement of cash flows
For the year ended 30 June 2022

	Group	
	30.06.2022	30.06.2021
	\$'000	\$'000
Cash and cash equivalents comprised:		
Cash and bank balances	43,947	31,434
Less: Bank balances pledged as security	(718)	(675)
	43,229	30,759

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

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

1. Corporate information

Healthway Medical Corporation Limited (the “Company” or Healthway Medical, together with its subsidiaries, the “Group”) is listed on the Catalist Board of the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 6 Shenton Way, #10-09, OUE Downtown 2, Singapore 068809.

The principal activities of the Company are those of an investment holding company and its principal subsidiaries are in the business of healthcare management.

2. Basis of Preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.2 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.

2.3 Use of judgements and estimates

In preparing the condensed interim 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 expense. 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 year ended 31 December 2021.

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.

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

3. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions, allocate resources, and assess performance. The CODM considers the business from both a geographic and business segment perspective and regularly reviews internal management reports for each of the business units. Whilst the CODM receives separate reports for each of the Group's strategic business units, the results have been aggregated into the Primary Healthcare and Specialist Healthcare segments. Such aggregation is determined by the nature of risks associated with each business segment as they offer different products and services and require different marketing strategies.

Business segments

The Group has the following business segments.

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

Geographical segments

The Group's operations are mainly in Singapore.

3.1 Reportable segments

The segment information provided to the CODM for the reportable segments are as follows:

<u>6 months ended 30 June 2022</u>	Primary Healthcar \$'000	Singapore Specialist Healthcar \$'000	Total \$'000
Sales			
Total segment sales and sales to external parties	<u>53,544</u>	<u>26,445</u>	<u>79,989</u>
Adjusted EBITDA	<u>10,347</u>	<u>4,793</u>	<u>15,140</u>
Depreciation of property, plant and equipment	3,773	1,817	5,590
Amortisation of intangible assets	267	-	267
Segment assets	<u>137,383</u>	<u>87,345</u>	<u>224,728</u>
Segment assets include:			
- Additions to property, plant and equipment	5,482	3,667	9,149
- Additions to intangible assets	102	-	102
Segment liabilities	<u>25,892</u>	<u>16,499</u>	<u>42,391</u>

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

3.1 Reportable segments (continued)

<u>6 months ended 30 June 2021</u>	Singapore		China	Total
	Primary Healthcare	Specialist Healthcare	Specialist Healthcare	
	\$'000	\$'000	\$'000	\$'000
Sales				
Total segment sales and sales to external parties	39,675	26,736	-	66,411
Adjusted EBITDA	7,059	4,476	(70)	11,465
Depreciation of property, plant and equipment	3,504	1,857	-	5,361
Amortisation of intangible assets	61	-	-	61
				-
Segment assets	120,443	85,598	25	206,066
Segment assets include:				
- Additions to property, plant and equipment	3,447	21	-	3,468
- Additions to intangible assets	37	-	-	37
Segment liabilities	22,855	14,045	27	36,927

The revenue reported for interim financial period to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

The CODM assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") for continuing operations. This measurement basis excludes the effects of net gain on the disposal of available-for-sale financial assets that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

(a) Reconciliations

(i) *Segment profits*

	Group	
	30.06.2022	30.06.2021
	\$'000	\$'000
Adjusted EBITDA for reportable segments	15,140	11,465
Depreciation of property, plant and equipment	(5,590)	(5,361)
Amortisation of intangible assets	(267)	(61)
Interest income	30	26
Finance expenses	(444)	(392)
Share of loss of associate – net of tax	(185)	(120)
Profit before tax	8,684	5,557

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

3.1 Reportable segments (continued)

(a) Reconciliations (continued)

(ii) *Segment assets*

The amounts reported to the CODM with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than short-term bank deposits, deferred tax assets and investment in associate.

Segment assets are reconciled to total assets as follows:

	Group	
	As at	
	30.06.2022	30.06.2021
	\$'000	\$'000
Segment assets for reportable segments	224,728	206,066
Unallocated:		
- Short-term bank deposits	17,597	17,791
- Investment in associate	1,244	1,609
- Derivative Asset	605	-
- Deferred tax assets	1,484	333
Total assets	245,658	225,799

(iii) *Segment liabilities*

The amounts reported to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities, deferred income tax liabilities and borrowings.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Segment liabilities for reportable segments	42,391	36,927
Unallocated:		
- Current income tax liabilities	1,522	59
- Deferred income tax liabilities	901	901
- Financial liabilities	3,256	-
- Borrowings	971	1,947
Total liabilities	49,041	39,834

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

3.1 Reportable segments (continued)

(b) Geographical information

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Sales for continuing operations	79,989	66,411

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	64,033	57,815	35,834	29,530
Financial assets, at fair value through profit or loss	605	605	–	–
Financial liabilities, at amortised cost	40,574	41,092	1,298	2,487

5. Profit before taxation

5.1. Significant items

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Income		
Rental income	143	93
Bad debts recovered	6	63
Government grant income	1,044	506
Lease interest income	8	14
Interest income	22	12
Expenses		
Interest expense	32	53
Lease interest expense	412	339
Property, plant and equipment written off - net of gain	12	91

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

5.2. Related party transactions

In addition to the information disclosed elsewhere in the financial statements such as at Note 8 and Note 9, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Rental and other operating expenses	710	669
Rental income	135	134
Staff costs	155	130

Related parties comprise mainly companies which are controlled or significantly influenced by the deemed controlling shareholders of the Company and a close family member of a key management personnel of the Company.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
Current income tax expense	1,208	29
Deferred income tax credit relating to origination and reversal of temporary differences	-	104
	1,208	133

7. Cash and bank balances

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	26,350	15,747	18,190	11,780
Short-term bank deposits	17,597	17,805	17,199	17,181
	43,947	33,552	35,389	28,961

The bank balances of the Group include \$718,000 pledged as security for a certain banker's guarantee (2021: \$675,000).

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

8. Trade and other receivables

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	19,896	24,166	–	–
Less: Allowance for impairment loss	(3,392)	(3,486)	–	–
Net trade receivables	16,504	20,680	–	–
Other receivables				
- related parties	206	318	–	3
- non-related parties	116	82	8	4
Finance lease receivables	322	400	8	7
Deposits	260	269	238	254
Prepayments	878	1,394	8	8
	139	639	21	69
	18,103	23,382	275	338
Non-current				
Finance lease receivables	–	132	23	132
Deposits	2,122	1,388	168	168
	2,122	1,520	191	300

Trade receivables are non-interest bearing and are generally on 30-90 days' terms.

Other receivables are unsecured, interest-free and repayable on demand.

The movement in the allowance for impairment loss for trade and other receivables is as follows:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Beginning of financial period/year	3,486	9,009	–	4,527
Acquisition of a subsidiaries	–	22	–	–
(Reversal)/Provision for impairment loss - net	(66)	78	–	–
Utilised	(28)	(5,623)	–	(4,527)
End of financial period/year	3,392	3,486	–	–

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

9. Trade and other payables

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables to:				
- non-related parties	9,873	11,410	–	–
Other payables to:				
- non-related parties	3,037	3,677	263	339
- related parties	3	10	3	10
- subsidiaries	–	–	–	93
	12,913	15,097	266	442
Deferred income	472	345	–	–
Accrued expenses	9,186	9,464	306	972
	22,571	24,906	572	1,414
Non-current				
Other payables to non-related parties	–	235	–	–
Other payables to non-controlling interest	3,256	3,256	–	–
Loan from subsidiary's non-controlling interest	84	–	–	–
	3,340	3,491	–	–

Trade payables are non-interest bearing and are generally on 30-90 days' terms.

Other payables (current) are unsecured, interest-free and repayable on demand. Other payables to non-related parties (non-current) are unsecured, interest-free and not expected to be settled within the next 12 months.

Other payables to non-controlling interest ("NCI") relate to a contract between the Group and the NCI to purchase the shares held by the NCI in a subsidiary. The contract is not expected to be settled within the next 12 months.

The loan from subsidiary's non-controlling interest is unsecured, bears interest at 2.75% per annum and repayable within three years.

Deferred income relates to unsatisfied contracts of periods of one year or less, and/or relates to fixed-price medical services. As permitted under SFRS(I) 15, the details of the aggregated transaction price relating to unsatisfied performance obligations of these contracts are not disclosed.

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

10. 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	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	4.32	4.16	5.25	5.25

The net asset value per ordinary share of the Group and the Company as of 30 June 2022 were calculated based on the total number of issued shares, excluding treasury shares, of 4,535,571,100 (31 December 2021: 4,527,456,100).

11. 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.

	Group	
	30.06.2022 \$'000	30.06.2021 \$'000
Basic and diluted profit per ordinary share (Singapore cents) ^(a)	0.17 ^(b)	0.12 ^(b)

(a) Basic and diluted profit/(loss) per share of the Group for the 6 months ended 30 June 2022 are calculated based on the weighted average number of ordinary shares in issue of 4,531,670,520 (30 June 2021: 4,523,555,568).

(b) The respective basic and diluted profit/(loss) per share for the Group for the 6 months ended 30 June 2022 and 30 June 2021 were the same as there were no potentially dilutive ordinary shares as at the end of the respective financial periods.

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

12. Intangible assets

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Goodwill arising on consolidation (Note (a))	116,484	116,484	–	–
Brand names (Note (a))	32,394	32,394	–	–
Computer software, including licences (Note (b))	357	618	340	593
Computer software in progress (Note (c))	96	–	96	–
	149,331	149,496	436	593

(a) Goodwill arising from consolidation and brand names

	Goodwill \$'000	Brand names \$'000	Total \$'000
Group			
As at 31 December 2021			
<i>Cost</i>			
Beginning and end of financial period	205,940	32,394	238,334
<i>Accumulated impairment losses</i>			
Beginning and end of financial period	89,456	–	89,456
Net carrying amount			
As at 30 June 2022	116,484	32,394	148,878
As at 31 December 2020			
<i>Cost</i>			
Beginning of financial year	203,031	32,394	235,425
Addition	2,909	–	2,909
	205,940	32,394	238,334
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	–	89,456
Net carrying amount			
As at 31 December 2021	116,484	32,394	148,878

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

12. Intangible assets (continued)

Impairment test for goodwill and brand names with indefinite useful lives

For the purpose of impairment testing, goodwill and brand names with indefinite useful lives are allocated to the respective Singapore service groups (“cash generating units” or “CGUs”).

The aggregate carrying amount and impairment loss of goodwill and brand names with indefinite useful lives are allocated to each CGU identified according to service groups as follows:

	Goodwill			Net carrying amount
	Cost	Accumulated impairment losses	Brand names	
30 June 2022	\$'000	\$'000	\$'000	\$'000
<u>Service groups</u>				
Family medicine	73,499	(4,500)	8,000	76,999
Dentistry	7,191	(7,191)	–	–
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Wellness and aesthetic	4,657	(4,657)	–	–
Obstetrics and gynaecology	3,792	(1,904)	–	1,888
Nobel specialist	20,844	(6,000)	5,081	19,925
	205,940	(89,456)	32,394	148,878

	Goodwill			Net carrying amount
	Cost	Accumulated impairment losses	Brand names	
31 December 2021	\$'000	\$'000	\$'000	\$'000
<u>Service groups</u>				
Family medicine	73,499	(4,500)	8,000	76,999
Dentistry	7,191	(7,191)	–	–
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Wellness and aesthetic	4,657	(4,657)	–	–
Obstetrics and gynaecology	3,792	(1,904)	–	1,888
Nobel specialist	20,844	(6,000)	5,081	19,925
	205,940	(89,456)	32,394	148,878

The recoverable amount of each CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated terminal growth rate stated below. The terminal growth rate did not exceed the long-term average growth rate for the healthcare industry in Singapore.

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

12. Intangible assets (continued)

(a) Goodwill arising from consolidation and brand names (continued)

Key assumptions used in the value-in-use calculations:

- The compound annual revenue growth rate for each CGU included in the cash flow projections ranged between 2.0% to 6.1% (2020: 2.0% to 7.8%) per annum for years 2022 to 2026.
- The pre-tax discount rate for each CGU included in the cash flow projections was approximately 8.9% to 9.2% (2020: 9.0% to 9.2%).
- The anticipated terminal growth rate for each CGU was approximately 1.7% (2020: 2.0%).

These assumptions were determined based on past performance and management's expectations of market developments with reference to internal and external sources. The growth rates used took into account forecasts included in industry reports.

Based on management's assessment, no impairment loss was recorded on the goodwill and brand names with indefinite useful life for the financial period ended 30 June 2022 (30 June 2021: \$nil).

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

Sensitivity analysis

An unfavourable change by 10% (2020: 10%) of any of the individual key assumptions used in management's estimates would not have resulted in an impairment to goodwill and brand names being required as at balance sheet date.

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

12. Intangible assets (continued)

(b) Computer software, including licences

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial period/year	2,409	2,055	2,201	1,833
Additions	6	119	6	93
Write-off	–	(40)	–	–
Reclassification	–	275	–	275
End of financial period/year	2,415	2,409	2,207	2,201
<i>Accumulated amortisation</i>				
Beginning of financial period/year	1,791	1,682	1,608	1,474
Write-off	–	(26)	–	–
Amortisation for the period/year	267	135	259	134
End of financial period/year	2,058	1,791	1,867	1,608
Net carrying amount				
End of financial period/year	357	618	340	593

(c) Computer software in progress

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial period/year	–	245	–	245
Addition	96	30	96	30
Reclassification	–	(275)	–	(275)
End of financial period/year	96	–	96	245
<i>Accumulated amortisation</i>				
Beginning and end of financial period/year	–	–	–	–
Net carrying amount				
End of financial period/year	96	245	96	245

13. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired property, plant and equipment with an aggregate cost of \$9,149,000 (30 June 2021: \$3,468,000), of which \$7,725,000 (30 June 2021: \$2,912,000) relates to right-of-use assets. Cash payments of \$1,291,000 (30 June 2021: \$556,000) were made to purchase property, plant and equipment.

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

14. Borrowings

	Effective interest rate	Maturity	Group	
			30.06.2022	31.12.2021
			\$'000	\$'000
Current				
Other secured borrowings	4.73%-4.75%	2022 to 2023	747	910
Non-current				
Other secured borrowings	4.73%-4.75%	2023 to 2024	224	508
Total borrowings			971	1,418

Other secured borrowings are effectively secured over property, plant and equipment (Note 13), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of these secured borrowings.

The exposure of other secured borrowings of the Group to interest rate changes at the balance sheet dates is as follows:

	Group	
	30.06.2022	31.12.2021
	\$'000	\$'000
Minimum lease payments due		
- Not later than one year (undiscounted)	770	934
- Between one and five years (undiscounted)	230	542
	1,000	1,476
Less: Future finance charges	(29)	(58)
Present value of other secured borrowings	971	1,418

15. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

15. Share capital (continued)

	Group and Company			
	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Beginning of financial period	4,528,792	(1,336)	277,433	(33)
Treasury shares reissued pursuant to Healthway Medical Performance Share Plan	-	1,336	-	33
Shares issued pursuant to the Healthway Medical Performance Share Plan	6,779	-	197	-
As at 30 June 2022	4,535,571	-	277,630	-

	Group and Company			
	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Beginning of financial year	4,528,792	(9,451)	277,433	(236)
Treasury shares reissued pursuant to Healthway Medical Performance Share Plan	-	8,115	-	203
As at 31 December 2021	4,528,792	(1,336)	277,433	(33)

Ordinary shares (excluding treasury shares) increased by 1,336,000 shares (31 December 2021: 8,114,900), upon transfer of treasury shares and issuance of 6,779,000 new shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan during 1H-FY2022, amounting to approximately \$230,000 (31 December 2021: \$203,000).

16. Other reserves

Composition:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Share-based compensation reserve	-	235	-	235
Currency translation reserve	-	-	-	-
Capital reserve	(3,148)	(3,153)	62	62
	(3,148)	(2,918)	62	297

Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022

16. Other reserves (continued)

Movement:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Share-based compensation reserve:				
Beginning of financial period/year	235	235	235	235
- Treasury shares reissued pursuant to share-based compensation plans	(235)	(235)	(235)	(235)
- Value of employee services	–	235	–	235
End of financial period/year	–	235	–	235

Share-based compensation reserve represents the equity-settled performance share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period.

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Currency translation reserve:				
Beginning of financial period/year	–	799	–	–
Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary	–	(799)	–	–
End of financial period/year	–	799	–	–

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose foreign currencies are different from that of the Group's presentation currency.

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Capital reserve:				
Beginning of financial period/year	(3,153)	31	62	31
- Treasury shares reissued pursuant to share-based compensation plans	(a) 5	32	5	32
- Share reissuance expenses	(a) –	(1)	–	(1)
- Put option granted to non-controlling interest	(b) –	(3,215)	–	–
End of financial period/year	(3,148)	(3,153)	67	62

**Notes to the condensed interim consolidated financial statement
For the six-month financial period ended 30 June 2022**

16. Other reserves (continued)

- (a) Capital reserve represents the realised gain or loss on sale or reissue of treasury shares, net of any directly attributable incremental transaction costs and related income tax.
- (b) As part of the acquisition of subsidiaries during the financial year ended 31 December 2021, the Group granted a put option to the non-controlling interest ("NCI") to require the Group to purchase the shares held by the NCI in a subsidiary. The Group has accounted for the put option as a financial liability (Note 9) at the present value of the option exercise price, with a corresponding debit to equity attributable to the owners of the Company.

17. Investments in subsidiaries

(a) Incorporation of a Subsidiary

On 2 March 2022, the Company, through its wholly owned subsidiary incorporated a subsidiary in Singapore known as Straits Podiatry Pte Ltd ("**STRAITS**") and holds 52% equity interest in **STRAITS**, with the remaining 48% being held by the individuals who are the practitioners of the **STRAITS'** business.

The issued and paid-up capital of STRAITS is \$300,000, comprising 300,000 ordinary shares. The principal activities of **STRAITS** is the provision of podiatry services. The Company's share of 52% is funded through the Company's internal resources.

(b) Dilution of interests in subsidiaries

On 1 January 2022, Healthway Dental Pte. Ltd. ("**Healthway Dental**"), a wholly owned subsidiary of the Company, issued new shares to its non-controlling party, diluting the controlling interest's ownership by 40% without the loss of control. The difference between the consideration and fair value is recognised directly in equity.

Other Information Required by Appendix 7C of the Catalist Rules

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

1. 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 1,336,000 treasury shares and issued new shares of 6,779,000 shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan during 1H-2022 (FY2021: 8,114,900). 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.

2. 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 period reported on.

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 interim financial period ended 30 June 2022 have not been reviewed by the Company's auditors. The audited figures for the financial year ended 31 December 2021 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 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. 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.

5. 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.

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

Review of performance of the Group

Condensed interim consolidated statements of comprehensive income

The Group posted stronger revenue of **S\$80.0** million in 1H 2022, representing a growth of **20.4%** against the **S\$66.4** million achieved in 1H 2021. The revenue growth was contributed by increase in revenue of S\$13.8 million from the Primary Healthcare Segment.

With the easing of community and border measures of COVID-19 rules by Singapore government during 1H-FY2022, Primary Healthcare Segment witnessed an increase in patient volume as compared to 1H-FY2021. This was further complemented by revenue from vaccination, COVID-19 Polymerase Chain Reaction (PCR) and serology testing projects.

Other income increased by S\$0.7 million mainly due to higher government grants compared to 1H-FY2021 for the one-time COVID-19 Business Grant received from the Ministry of Health to eligible Public Health Preparedness Clinic (PHPC),

The increase in operating costs of S\$11.0 million was mainly due to: -

- a) increase in staff cost of S\$8.4 million due to increase in manpower and remuneration for the staff in line with increase in revenue and in place of the cessation of grants under the Jobs Support Scheme during 1H-FY2022;
- b) increase in medical supplies, consumables and laboratory expenses and other operating expenses by S\$1.1 million and S\$1.2 million respectively in line with the increase in the revenue;
- c) increase in amortisation of intangible assets due to reassessment and revision of the useful life of the computer software resulting in higher amortisation in the current financial period;
- d) increase in the rental on operating leases as a result of an increase in the number of short-term leases; partially offset by
- e) decrease in impairment loss on trade and other receivables by \$0.1 million upon reassessment of allowance for expected credit losses of trade and other receivables and improvement in collections.

Income tax expense increased by S\$1.1 million for 1H-FY2022 mainly due to a higher taxable profit during the financial period.

As a result of the above, the Group's net profit after income tax for 1H-FY2022 was S\$7.5 million as compared to a net profit after income tax of S\$5.4 million in 1H-FY2021 an increase of **37.8%**. The profit attributable to shareholders of the Company was S\$7.6 million, after allocating loss attributable to non-controlling interests of S\$0.1 million.

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

Condensed interim statements of financial position

Current assets amounted to S\$66.0 million as at 30 June 2022, S\$5.5 million higher than S\$60.5 million as at 31 December 2021. The increase was mainly due to increase in: -

- a) cash balances by S\$10.4 million in line with net cash flow generated from the operating activities;
- b) inventories by S\$0.5 million; partially offset by
- c) decrease in deposits due to a reclassification of deposits from current to non-current by S\$0.5 million in view of their maturity dates;
- d) reduction in trade receivables by S\$5.3 million upon collection from COVID-19 related projects receivables.

Non-current assets increased by S\$3.4 million from S\$176.3 million as at 31 December 2021 to S\$179.6 million as at 30 June 2022, mainly due to the following: -

- a) increase in deposits attributable to lease agreement executed for newer clinics setup during the period and upon reclassification of deposits from current to non-current in view of their maturity dates.
- b) increase in property, plant and equipment by S\$9.2 million for additions in property, plant and equipment offset by depreciation charged during the financial period;
- c) decrease in investment in associates due to net share of loss attributable to the Company;
- d) decrease in intangible assets due to amortisation of intangible assets charged during the financial period; offset by purchase of computer software of S\$0.1 million in 1H-FY2022.

Current liabilities amounted to S\$33.4 million as at 30 June 2022, a decrease of S\$0.3 million from S\$33.7 million as at 31 December 2021. This was mainly due to the following: -

- a) increase in lease liabilities of S\$1.3 million arising from renewal of lease obligations during 1H-FY22 offset by payment of lease liabilities during the period.
- b) increase in tax liabilities of S\$0.9 million for 1H-FY22 due to an increase in taxable profits; offset by
- c) decrease in trade payables and other payables by S\$2.3 million due to payments made for COVID related projects in line with collection of receivables.
- d) principal repayment of secured borrowings of S\$0.2 million;

Non-current liabilities increased by S\$1.3 million mainly due to the following: -

- a) Increase in lease liabilities of S\$1.7 million arising from renewal of leases during 1H-FY22; offset by
- b) principal repayment of secured borrowings of S\$0.3 million;
- c) decrease in trade payables by S\$0.2m

The Group had a positive working capital of S\$32.7 million as at 30 June 2022, an increase of \$5.9 million as compared to S\$26.8 million as at 31 December 2021.

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

Condensed interim consolidated statement of cash flows

Net cash flows generated from operating activities for 1H-FY22 amounted to S\$16.6 million as a result of operating cash inflow before changes in working capital of S\$15.1 million, adjusted for net working capital outflow of S\$1.8 million and income tax payment of S\$0.3 million. The net working capital outflow was mainly due to the following: -

- a) decrease in trade and other receivables of S\$4.7 million upon collection from project receivables for COVID-19 related projects.
- b) decrease in trade and other payables of S\$2.3 million and increase in inventories by S\$ 0.5 million upon surge in patient volume across the Primary Healthcare Segment.

Cash flow used in investing activities for 1H-FY2022 was S\$1.4 million, mainly due to purchase of property, plant, and equipment (net of proceeds from disposals) of S\$1.2 million, intangible assets of S\$0.1 million and acquisition of a General Practitioners clinic of S\$0.2 million.

Cash flow used in financing activities for FY2021 was S\$4.8 million, mainly due to repayment of secured borrowings of S\$0.5 million, payment of lease liabilities of S\$4.5 million and payment of interest expenses of S\$0.4 million: offset by proceeds from the dilution of the subsidiary's shares of S\$ 0.5 million and receipt of loan from the subsidiary's non-controlling interest of S\$0.1 million.

As at 30 June 2022, the Group's financial position remained healthy with S\$43.2 million of cash and cash equivalent net of fixed deposits pledged of S\$0.7 million.

6. 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.

7. 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.

With the vast majority of the Singapore population having been fully vaccinated, the Ministry of Health ("MOH") started to progressively wind down COVID-19 vaccination centres from end-May 2022. At the end of June 2022, Healthway Medical ceased operations of its vaccination centres. Nevertheless, it continues to support the MOH in operating two Joint Testing & Vaccination Centres ("JTVCs") as Singapore transitions to an endemic phase of COVID-19.

Notwithstanding these developments, the Group achieved growth in revenue for 1H 2022 attributable to higher patient throughput at its General Practitioner ("GP") clinics due to the steady return of patients with chronic conditions and an increase in the number of acute respiratory infection (ARI) cases¹.

¹ *Appointments needed for COVID-19 vaccination at polyclinics as acute respiratory infection cases rise.* ChanneNews Asia. Accessed August 3, 2022. <https://www.channelnewsasia.com/singapore/appointments-covid-19-vaccination-polyclinic-acute-respiratory-infection-vaccine-2828616>

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

7. A commentary at the date of the announcement of the significant trends (continued)

The Group is cautiously optimistic about its business growth in view of intensifying inflationary pressures exacerbated by the current manpower crunch, global supply chain , rising energy prices and the tapering off of PCR and PDT testing.

Healthway Medical remains firmly committed to expand its network of GP clinics. In 1H 2022, the Group opened 6 new clinics, including one dental clinic. Looking ahead, the Group will focus on supporting the Healthier SG initiative. Announced by MOH in March 2022, this national healthcare strategy promotes a patient-centric approach as Singapore aims to make primary healthcare more accessible and holistic. The Group is ramping up its operations to support the programme's goals of promoting preventive care and helping Singaporeans build a trusted lifelong relationship with their family doctors.

8. Dividend information

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

No dividends have been declared or recommended for the current reporting period.

(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.

9. 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 as the Company intends to conserve cash for future business expansion opportunities.

**Other Information Required by Appendix 7C of the Catalyst Rules
For the six-month financial period ended 30 June 2022**

- 10. 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").

Pursuant to the Catalyst Rules, there were no IPTs of S\$100,000 or more entered into by the Group during the interim period.

- 11. 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 11 August 2022, 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	Amount utilised as at 11 August 2022	Amount unutilised as at 11 August 2022
	(S\$ million)	(S\$ million)	(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	9.43	10.57
	59.80	45.29	14.51

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.

- 12. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalyst Rules**

Please refer to Note 17 of the notes to the condensed interim consolidated financial statement.

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

13. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Chew Pei Tsing
Company Secretary

11 August 2022

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

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

**Other Information Required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

Negative confirmation pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chen Yeow Sin
Director

Anand Kumar
Director