HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

This announcement has been prepared by Healthway Medical Corporation Limited (the "**Company**") and its contents have been reviewed by Prime Partners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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.

	3 months ended			12 months ended		
	31.12.14 S$'000	31.12.13 S$'000	Change %	31.12.14 S$'000	31.12.13 S$'000	Change %
Revenue	21,260	19,837	7.2	85,666	80,601	6.3
Other operating income	5,667	3,415	65.9	20,813	50,774	(59.0)
Medical supplies, consumables and laboratory expenses	(4,312)	(4,461)	(3.3)	(18,026)	(16,882)	6.8
Staff costs	(16,125)	(13,890)	16.1	(56,329)	(50,683)	11.1
Depreciation of property, plant and equipment	(440)	(343)	28.3	(1,352)	(1,309)	3.3
Amortisation of intangible assets	(73)	(73)	-	(291)	(292)	(0.3)
Other operating expenses	(8,984)	(7,675)	17.1	(19,398)	(29,588)	(34.4)
Finance costs	(389)	(295)	31.9	(1,150)	(1,898)	(39.4)
(Loss) / Profit before income tax	(3,396)	(3,485)	(2.6)	9,933	30,723	(67.7)
Income tax credit / (expense)	572	(605)	n.m.	(93)	(140)	(33.6)
(Loss) / Profit for the period attributable to shareholders	(2,824)	(4,090)	(31.0)	9,840	30,583	(67.8)
Other comprehensive loss, net of tax	(3,385)	(4,080)	(17.0)	(17,983)	(29,915)	(39.9)
Total comprehensive (loss) / income for the period	(6,209)	(8,170)	(24.0)	(8,143)	668	n.m.

Explanatory notes to the income statement

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

	3 months ended			12 months ended		
	31.12.14 S$'000	31.12.13 S$'000	Change %	31.12.14 S$'000	31.12.13 S$'000	Change %
Interest income	(627)	(298)	110.4	(1,738)	(1,397)	24.4
Rental income	(116)	(80)	45.0	(456)	(556)	(18.0)
(Gain) / loss on disposal of available-for-sale financial assets reclassified from equity	(3,623)	1,391	n.m.	(13,038)	(43,302)	(69.9)
Interest expense	389	295	31.9	1,150	1,898	(39.4)
Allowance for doubtful receivables	5,189	1,688	207.4	5,189	14,688	(64.7)
Bad debts written off	(16)	2	n.m.	(16)	42	n.m.
Property, plant & equipment written off	471	102	n.m.	517	129	n.m.
Foreign exchange loss / (gain)	(359)	(133)	169.9	(294)	(499)	(41.1)
Loss on disposal of property, plant and equipment	15	-	n.m.	15	-	n.m.
Operating lease expenses	2,087	2,078	0.4	8,500	7,827	8.6

Statement of comprehensive income

	3 months ended			12 months ended		
	31.12.14 S$'000	31.12.13 S$'000	Change %	31.12.14 S$'000	31.12.13 S$'000	Change %
Profit for the period	(2,824)	(4,090)	n.m.	9,840	30,583	(67.8)
Foreign exchange differences	124	280	n.m.	75	908	n.m.
Change in fair value of available-for-sale financial assets	114	(4,376)	n.m.	(5,020)	26,888	n.m.
Change in fair value of available-for-sale financial assets reclassified to profit or loss	(3,623)	16	n.m.	(13,038)	(57,711)	(77.4)
Other comprehensive loss for the period, net of tax	(3,385)	(4,080)	(17.0)	(17,983)	(29,915)	(39.9)
Total comprehensive (loss) / income for the period	(6,209)	(8,170)	n.m.	(8,143)	668	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	
	31.12.14 S$'000	31.12.13 S$'000	31.12.14 S$'000	31.12.13 S$'000
Non-Current Assets				
Property, plant and equipment	6,031	5,715	-	-
Intangible assets	122,197	122,475	356	645
Investments in subsidiaries	-	-	196,970	182,214
Trade and other receivables	20,358	49,555	-	-
	148,586	177,745	197,326	182,859
Current Assets				
Inventories	2,393	2,778	-	-
Trade and other receivables	75,260	42,672	6,351	24,397
Available-for-sale financial assets	756	24,795	756	24,795
Cash and cash equivalents	3,157	3,761	1,936	1,675
	81,566	74,006	9,043	50,867
Total Assets	230,152	251,751	206,369	233,726
Equity				
Share capital	201,381	201,381	201,381	201,381
Reserves	(10,756)	(2,613)	(7,182)	290
Total Equity	190,625	198,768	194,199	201,671
Non-Current Liabilities				
Provisions	366	400	-	-
Financial liabilities	3,748	6,531	1,538	5,800
Deferred income tax liabilities	204	204	-	-
	4,318	7,135	1,538	5,800
Current Liabilities				
Financial liabilities	12,431	9,731	9,410	7,982
Trade and other payables	22,413	35,286	1,121	17,578
Current income tax liabilities	365	831	101	695
	35,209	45,848	10,632	26,255
Total Liabilities	39,527	52,983	12,170	32,055
Total Equity and Liabilities	230,152	251,751	206,369	233,726

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.

	As at 31.12.14		As at 31.12.13	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable within one year	9,604	2,150	8,797	350
Amount repayable after one year	2,843	-	5,800	-

The secured borrowings of the Group relate to bank loans and bank overdrafts which are secured by the following:

(i) fixed and floating charges on the assets of certain subsidiaries;

(ii) corporate guarantees from the Company and certain subsidiaries;

(iii) joint and several guarantees from certain directors of the Company and subsidiaries; and

(iv) time deposits of the Company and a subsidiary.

The Group's borrowings presented above do not include finance lease liabilities. Finance lease liabilities of the Group are repayable as follows:

	As at 31.12.14	As at 31.12.13
	S$'000	S$'000
Amount repayable within one year	677	584
Amount repayable after one year	905	731

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.

	3 months ended		12 months ended	
	31.12.14 S$'000	31.12.13 S$'000	31.12.14 S$'000	31.12.13 S$'000
Cash flows from operating activities				
(Loss) / Profit for the period	(2,824)	(4,090)	9,840	30,583
Adjustments for:				
Income tax expense	(572)	605	93	140
Amortisation of intangible assets	73	73	291	292
(Gain) / loss on disposal of available-for-sale financial assets reclassified from equity	(3,623)	1,391	(13,038)	(43,302)
Depreciation of property, plant and equipment	440	343	1,352	1,309
Allowance for doubtful receivables	5,189	1,688	5,189	14,688
Loss on disposal of property, plant and equipment	15	-	15	-
Property plant and equipment written off	471	102	517	129
Interest expense	389	295	1,150	1,898
Interest income	(627)	(298)	(1,738)	(1,397)
	(1,069)	109	3,671	4,340
Changes in working capital:				
Inventories	185	272	385	(47)
Trade and other receivables	(964)	(2,662)	17,511	(1,380)
Trade and other payables	2,819	397	(12,222)	779
Cash generated from / (used in) operations	971	(1,884)	9,345	3,692
Income tax (paid) / received	(53)	(50)	(558)	310
Net Cash generated from / (used in) operating activities	**918**	**(1,934)**	**8,787**	**4,002**
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,716)	(173)	(2,030)	(488)
Purchase of intangible assets	(13)	-	(13)	(3)
Proceeds from disposal of property, plant and equipment	638	316	638	316
Loan receivables	(4,546)	19,366	(26,013)	(12,853)
Investment in available-for-sale financial assets	-	(28,201)	-	(30,346)
Net advances made to a related party	(613)	(11,369)	(613)	(11,369)
Proceeds from sale of available-for-sale financial assets	3,828	21,707	19,012	21,707
Deposits for extension of share options	-	1,100	-	-
Acquisition of a subsidiary, net of cash acquired	-	-	-	(262)
Interest received	627	298	1,738	1,397
Net Cash (used in) / generated from investing activities	**(1,795)**	**3,044**	**(7,281)**	**(31,901)**
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	-	10,004
Share issue expenses	-	-	-	(300)
Proceeds from borrowings	4,949	3,220	16,293	34,085
Repayment of borrowings	(4,165)	(4,889)	(16,548)	(12,823)
Fixed deposits pledged	(1)	-	(6)	98
Net repayment of finance lease liabilities	(218)	(152)	(611)	(546)
Dividends paid	-	-	-	(1,500)
Interest paid	(389)	(295)	(1,150)	(1,898)
Net Cash generated from / (used in) financing activities	**176**	**(2,116)**	**(2,022)**	**27,120**
Net decrease in cash and cash equivalents	(701)	(1,006)	(516)	(779)
Cash and cash equivalents at beginning of period	1,737	2,576	1,553	2,329
Effect of exchange rate fluctuations on cash held	1	(17)	-	3
Cash and cash equivalents at end of period	**1,037**	**1,553**	**1,037**	**1,553**

Cash and cash equivalents comprised:	As at 31.12.14 S$'000	As at 31.12.13 S$'000
Deposits with banks	3,157	3,761
Fixed deposits pledged as collaterals	(2,120)	(2,114)
	1,037	1,647
Bank overdraft	-	(94)
	1,037	1,553

For the year ended 31 December 2014, the Group acquired property, plant and equipment with an aggregate cost of S$2.9 million (2013 : S$1.1 million), of which S$0.9 million (2013: S$0.6 million) was acquired under finance lease.

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.

	←Share capital→						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group - Current period							
At 1 Jan 2014	204,430	(3,049)	201,381	18,776	624	(22,013)	198,768
Profit for the period	-	-	-	-	-	12,664	12,664
Net change in fair value of available-for-sale financial assets	-	-	-	(14,549)	-	-	(14,549)
Foreign exchange differences	-	-	-	-	(49)	-	(49)
Total comprehensive income for the period	-	-	-	(14,549)	(49)	12,664	(1,934)
At 30 Sep 2014	204,430	(3,049)	201,381	4,227	575	(9,349)	196,834
Loss for the period	-	-	-	-	-	(2,824)	(2,824)
Net change in fair value of available-for-sale financial assets	-	-	-	(3,509)	-	-	(3,509)
Foreign exchange differences	-	-	-	-	124	-	124
Total comprehensive income for the period	-	-	-	(3,509)	124	(2,824)	(6,209)
At 31 Dec 2014	204,430	(3,049)	201,381	718	699	(12,173)	190,625
Group - Previous period							
At 1 Jan 2013	194,726	(3,049)	191,677	49,599	(284)	(28,084)	212,908
Profit for the period	-	-	-	-	-	34,673	34,673
Net change in fair value of available-for-sale financial assets	-	-	-	(26,463)	-	-	(26,463)
Foreign exchange differences	-	-	-	-	628	-	628
Total comprehensive income for the period	-	-	-	(26,463)	628	34,673	8,838
Issue of new shares pursuant to placement	10,004	-	10,004	-	-	-	10,004
Share issue expenses	(300)	-	(300)	-	-	-	(300)
Dividend paid	-	-	-	-	-	(24,512)	(24,512)
Total contributions by and distributions to owners	9,704	-	9,704	-	-	(24,512)	(14,808)
At 30 Sep 2013	204,430	(3,049)	201,381	23,136	344	(17,923)	206,938
Loss for the period	-	-	-	-	-	(4,090)	(4,090)
Net change in fair value of available-for-sale financial assets	-	-	-	(4,360)	-	-	(4,360)
Foreign exchange differences	-	-	-	-	280	-	280
Total comprehensive income for the period	-	-	-	(4,360)	280	(4,090)	(8,170)
At 31 Dec 2013	204,430	(3,049)	201,381	18,776	624	(22,013)	198,768

	<---------- Share capital ---------->						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company - Current period							
At 1 Jan 2014	204,430	(3,049)	201,381	18,776	-	(18,486)	201,671
Profit for the period	-	-	-	-	-	10,915	10,915
Net change in fair value of available-for-sale financial assets	-	-	-	(14,549)	-	-	(14,549)
Total comprehensive income for the period	-	-	-	(14,549)	-	10,915	(3,634)
At 30 Sep 2014	204,430	(3,049)	201,381	4,227	-	(7,571)	198,037
Loss for the period	-	-	-	-	-	(329)	(329)
Net change in fair value of available-for-sale financial assets	-	-	-	(3,509)	-	-	(3,509)
Total comprehensive income for the period	-	-	-	(3,509)	-	(329)	(3,838)
At 31 Dec 2014	204,430	(3,049)	201,381	718	-	(7,900)	194,199
Company - Previous period							
At 1 Jan 2013	194,726	(3,049)	191,677	49,599	-	(52,349)	188,927
Profit for the period	-	-	-	-	-	57,772	57,772
Net change in fair value of available-for-sale financial assets	-	-	-	(26,463)	-	-	(26,463)
Total comprehensive income for the period	-	-	-	(26,463)	-	57,772	31,309
Issue of new shares pursuant to placement	10,004	-	10,004	-	-	-	10,004
Share issue expenses	(300)	-	(300)	-	-	-	(300)
Dividend paid	-	-	-	-	-	(24,512)	(24,512)
Total contributions by and distributions to owners	9,704	-	9,704	-	-	(24,512)	(14,808)
At 30 Sep 2013	204,430	(3,049)	201,381	23,136	-	(19,089)	205,428
Profit for the period	-	-	-	-	-	603	603
Net change in fair value of available-for-sale financial assets	-	-	-	(4,360)	-	-	(4,360)
Total comprehensive income for the period	-	-	-	(4,360)	-	603	(3,757)
At 31 Dec 2013	204,430	(3,049)	201,381	18,776	-	(18,486)	201,671

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Ordinary shares

	Number of shares	Amount S$'000
Ordinary shares excluding treasury shares as at 30 September 2014 and 31 December 2014	2,308,236,183	201,381

There was no change in the Company's share capital from 1 October 2014 to 31 December 2014.

Convertibles

The Company did not have any outstanding convertibles as at 31 December 2014 and 31 December 2013.

Treasury shares

The Company had 18,698,000 treasury shares as at 31 December 2014 and 31 December 2013.

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 31.12.14	As at 31.12.13
Total number of issued shares excluding treasury shares	2,308,236,183	2,308,236,183

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

Not applicable. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial period 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 qualifications or emphasis of matter).

Not applicable.

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 financial statements for the current financial year compared with the audited financial statements as at 31 December 2013, except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2014. The adoption of these new FRS and INT FRS has no significant impact on the financial statements for the current and prior reporting periods.

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.

	3 months ended		12 months ended	
	31.12.14	31.12.13	31.12.14	31.12.13
Basic and diluted (loss) / earnings per ordinary share (Singapore cents)	(0.12)	(0.18)	0.43	1.35

Basic and diluted earnings/(loss) per share of the Group for the 3 months ended 31 December 2014 and 31 December 2013 are calculated based on the weighted average number of ordinary shares in issue of 2,308,236,183.

Basic and diluted earnings/(loss) per share of the Group for the financial year ended 31 December 2014 and 31 December 2013 are calculated based on the weighted average number of ordinary shares in issue of 2,308,236,183 and 2,266,832,073 respectively.

There were no potentially dilutive ordinary shares in existence during the 3 months and 12 months ended 31 December 2014 and 31 December 2013, and accordingly, basic earnings/(loss) per ordinary share and diluted earnings/(loss) per ordinary share were the same for the respective 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 31.12.14	As at 31.12.13	As at 31.12.14	As at 31.12.13
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	8.26	8.61	8.41	8.74

The net asset value per ordinary share of the Group and the Company as at 31 December 2014 were calculated based on the total number of issued shares, excluding treasury shares, of 2,308,236,183 (31 December 2013: 2,308,236,183).

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 following:-
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 Group's turnover for the financial year ended 31 December 2014 ("FY2014") was S$85.7 million, an increase of S$5.1 million or 6.3% from S$80.6 million for the financial year ended 31 December 2013 ("FY2013"). The increase was mainly due to the increase in revenue of S$7.5 million from the Specialist & Wellness Healthcare segment pursuant to increase in patient volume, partially offset by a decrease in revenue of S$2.5 million from the Primary Healthcare segment.

The Group's other operating income decreased by S$30.0 million or 59.0% from S$50.8 million for FY2013 to S$20.8 million for FY2014. The decrease was mainly due to decrease of gain on disposal of available-for-sale financial assets by S$30.3 million from S$43.3 million in FY2013 to S$13.0 million in FY2014, offset by increase in interest income by S$0.3 million or 24.4% from S$1.4 million for FY2013 to S$1.7million for FY2014 due to increase in loans to third party clinics managed by the Group from S$33.0 million in FY2013 to S$55.0 million in FY2014.

Total operating costs of the Group, which included medical supplies, consumables and laboratory expenses, staff costs, depreciation of property, plant and equipment, amortisation of intangible assets and other operating expenses, decreased by S$3.4 million or 3.4% from S$98.8 million for FY2013 to S$95.4 million for FY2014.

This was mainly due to lower allowance for doubtful receivables of S$9.5 million in FY2014. The decrease was partially offset by the increase in staff costs of S$5.6 million which was in line with the increase in revenue and the increase in medical supplies, consumables and laboratory expenses of S$1.1 million.

The finance costs of the Group decreased by S$0.7 million or 39.4% from S$1.9 million for FY2013 to S$1.2 million for FY2014. This was mainly due to lower outstanding loans during FY2014 as compared to FY2013.

The Group's net profit before income tax was S$9.9 million for FY2014 as compared to S$30.7 million for FY2013, with the net profit attributable to shareholders at S$9.8 million for FY2014 as compared to S$30.6 million for FY2013. Total comprehensive income for FY2014 shows a deficit of S$8.1 million, as compared to a surplus of S$0.7 million for FY2013.

Financial position

Non-current assets (comprising property, plant and equipment, intangible assets, trade and other receivables (which include non-current portion of loan receivables)) were S$148.6 million as at 31 December 2014, representing a decrease of S$29.1 million from S$177.7 million as at 31 December 2013. This was mainly due to the decrease of S$29.2 million in long term loan receivables due to reclassification of S$33.0 million to current assets, offset by an increase in other loan receivables of S$4.1 million. The reason for the reclassification was because the S$33.0 million loan receivables are due for repayment in June 2015 and hence, was considered a current asset as at 31 December 2014. The decrease was partially offset by an increase in property, plant and equipment from S$5.7 million to S$6.0 million.

Current assets (comprising inventories, trade and other receivables (which include current portion of loan receivables), available-for-sale financial assets, and cash and bank balances) were S$81.6 million as at 31 December 2014. This was S$7.6 million higher than S$74.0 million as at 31 December 2013. The increase was mainly due to an increase of S$32.6 million in trade and other receivables, offset by a decrease in available-for-sale financial assets of S$24.0 million following the disposal of a portion of available-for-sale financial assets in the open market. The increase of S$32.6 million in trade and other receivables was a result of S$33.0 million reclassified from non-current assets and an increase of S$21.2 million in receivables from third party clinics managed by the Group, offset by a contra of S$9.4 million between other receivables and other payables, amount received from other receivables of S$6.6 million and an allowance for doubtful debts of $4.5 million for an amount owing by a related party.

Non-current liabilities (comprising provision for restoration costs, financial liabilities and deferred income tax liabilities) were S$4.3 million as at 31 December 2014, a decrease of S$2.8 million from S$7.1 million as at 31 December 2013. This was mainly due to the decrease in long term borrowings of S$2.8 million mainly due to reclassification of borrowings from non-current liabilities to current liabilities during FY2014 as such borrowings are payable within 1 year as at 31 December 2014.

Current liabilities (comprising financial liabilities, trade and other payables and current income tax liabilities) were S$35.2 million as at 31 December 2014, a decrease of S$10.6 million from S$45.8 million as at 31 December 2013. The decrease was mainly due to a decrease of S$12.9 million in trade and other payables mainly as a result of the contra of S$9.4 million between other receivables and other payables and repayment to trade and other payables of S$3.5 million; offset by an increase of S$2.7 million in financial liabilities as a result of reclassification of borrowings from non-current liabilities to current liabilities.

The Group had a positive working capital of S$46.4 million as at 31 December 2014, as compared to S$28.2 million as at 31 December 2013.

Cash flow statement

As at 31 December 2014, the Group had cash and cash equivalents amounting to S$1.0 million, net of fixed deposits pledged of S$2.1 million, as compared to cash and cash equivalents amounting to S$1.6 million, net of fixed deposits pledged of S$2.1 million and bank overdraft of S$0.1 million as at 31 December 2013.

The significant cash movements during FY2014 as compared to FY2013 can be summarised as follows: -

Cash flow generated from operating activities for FY2014 amounted to S$8.8 million as compared to S$4.0 million for FY2013. This was mainly due to a net working capital inflow as a result of an increase in trade and other receivables and an increase in trade and other payables of S$17.5 million and S$12.2 million, respectively.

Cash flow used in investing activities for FY2014 was S$7.3 million as compared to S$31.9 million for FY2013. The cash flow used in investing activities for FY2014 was mainly due to increase in loan receivables of S$26.0 million and purchase of property, plant and equipment of S$2.0 million, offset by proceeds from sale of available-for-sale financial assets of S$19.0 million and interest received of S$1.7 million.

Cash flow used in financing activities for FY2014 was S$2.0 million as compared to cash flow generated from financing activities of S$27.1 million for FY2013. Cash flow used in financing activities in FY2014 comprised mainly the repayment of bank loans of S$16.5 million, interest paid of S$1.2 million and net repayment of finance lease liabilities of S$0.6 million, partially offset by additional proceeds from bank borrowings of S$16.3 million for working capital purposes.

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.

The Group is continuing to support the government healthcare programmes such as CHAS (Community Health Assist Scheme) and PG (Pioneer Generation) through increasing awareness and education of these programmes through our network of GP and Dental clinics.

The Group is continuing its focus on streamlining our operational processes to achieve greater efficiency and higher productivity.

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 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.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividends have been declared or recommended for the current financial period reported on.

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 following is the interested person transactions between the Group and Healthway Medical Development (Private) Limited ("**HMD**") for FY2014.

	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions < S$100,000) during FY2014
	S$'000
HMD	892 *

* includes only IPT transactions with a value at risk to the Group.

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

14. 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.

Segment 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. The CODM considers the business from both a geographical and business segment perspective and regularly reviews internal management reports for each of the business units.

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 & Wellness Healthcare which comprise paediatrics, obstetrics, orthopaedics and aesthetic medicine.

Major Customer

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

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

	← Singapore →		China	
2014	**Primary Healthcare $'000**	**Specialist & wellness healthcare $'000**	**Specialist & wellness healthcare $'000**	**Total $'000**
Sales				
Total segment sales and sales to external parties	46,233	39,184	249	85,666
EBITDA	(2,263)	252	(39)	(2,050)
Depreciation	612	733	7	1,352
Amortisation	290	-	1	291

	← Singapore →		China	
2013	**Primary Healthcare $'000**	**Specialist & wellness healthcare $'000**	**Specialist & wellness healthcare $'000**	**Total $'000**
Sales				
Total segment sales and sales to external parties	48,771	31,732	98	80,601
EBITDA	5,654	(3,088)	(13,043)	(10,477)
Depreciation	605	692	12	1,309
Amortisation	289	-	3	292

(a) A reconciliation of EBITDA to profit before income tax is as follows:

	Group	
	2014	2013
	$'000	$'000
EBITDA for reportable segments	(2,050)	(10,477)
Gain on disposal of available-for-sale financial assets	13,038	43,302
Depreciation	(1,352)	(1,309)
Amortisation	(291)	(292)
Interest income	1,738	1,397
Finance expenses	(1,150)	(1,898)
Profit before income tax	9,933	30,723

Geographical information

The Group predominantly operates in Singapore and China.

	Sales for continuing operations	
	2014	2013
	$'000	$'000
Singapore	85,417	80,503
China	249	98
	85,666	80,601

15. 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 FY2014, Primary healthcare segment continues to contribute a higher proportion to the Group's revenue compared to Specialist and Wellness segment although revenue for Primary Healthcare segment had decreased by 5.2% year-on-year while revenue for Specialist and Wellness segment had increased by 23.5% over the same period.

The CODM assesses the 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 Specialist and Wellness segment had improved from a deficit of S$3.1 million in FY2013 to a surplus of S$0.3 million due to higher revenue. However, the EBITDA for Primary Healthcare segment had decreased by S$7.9 million to a deficit of S$2.3 million in FY2014 due to allowance for doubtful debts for amount owing from a related party of S$4.5 million, decrease in revenue and higher operating costs.

Performance by geographical segment

There are no significant changes in the contribution to the Group's revenue by Singapore and China operations in FY2014 as compared to FY2013. Revenue from Singapore operations improved by S$4.9 million year-on-year mainly due to increase in revenue from Specialist and Wellness Healthcare by S$7.5 million, and offset by decrease in revenue from Primary Healthcare by S$2.5 million. Revenue from China operations had improved by S$0.2 million year-on-year.

16. A breakdown of sales.

	Group		
	2014	2013	Change
	$'000	$'000	%
Sales reported for first half-year	42,840	40,368	6.1
Profit reported for first half-year	1,949	24,560	(92.1)
Sales reported for second half-year	42,826	40,233	6.4
Profit reported for second half-year	7,891	6,023	31.0

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

	For the financial year ended	
	31.12.2014	31.12.2013
	S$'000	S$'000
Interim dividend	-	1,500
Total	**-**	**1,500**

18. 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.

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 31 December 2014.

BY ORDER OF THE BOARD

Mr Yeow Ming Ying
Executive Director
24 February 2015