HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

Empowering Healthier Lives

QUARTERLY BUSINESS UPDATE AND FINANCIAL PERFOMANCE FOR THE QUARTER ENDED 30 SEPTEMBER 2020

Financial Performance

3Q2020 vs 3Q2019

Private healthcare provider group Healthway Medical Corporation Limited ("**HMC**" together with its subsidiaries, the "**Group**") recorded revenue of S$24.5 million in three months ended September 30, 2020 ("**3Q2020**"), representing a decrease of 16.4% as compared with S$29.3 million for the three months ended September 30, 2019 ("**3Q2019**").

The decrease in revenue was mainly due to lower revenue from the Primary Healthcare Segment and Specialist Healthcare Segment by S$2.0 million and S$2.8 million respectively, attributing to lower patient volume for both the segments impacted by the Coronavirus Disease 2019 (COVID-19) pandemic. In 3Q2020, the Group recorded a reduction in the operating costs, which is in line with the decrease in the revenue, and higher other income. Accordingly, the Group achieved profit attributable to shareholders of S$0.6 million in 3Q2020 against the net loss attributable to the shareholders of S$0.5 million in 3Q2019.

3Q2020 vs 2Q2020

With the relaxation in Circuit Breaker measures and gradual reopening during 3Q2020, Group revenue has improved by 35% to S$24.5 million compared to the preceding quarter ended June 30, 2020 ("**2Q2020"**). The increase in revenue, even after being offset by a reduction in other income, resulted in a profit attributable to shareholder of S$0.6 million in 3Q2020 against the net loss attributable to shareholder of S$0.7 million in 2Q2020.

Table 1 – Key Financial Highlights

S$'000	3 months ended			9 months ended		
	30.09.20	30.09.19	%	30.09.20	30.09.19	%
Revenue for the period	24,514	29,252	(16.2)	70,225	84,585	(17)
Profit/(Loss) for the quarter attributable to shareholders	636	(500)	n.m	92	(2,254)	n.m
Other comprehensive income for the period	1	9	n.m	2	12	n.m
Total comprehensive income/(loss) for the period	637	(491)	n.m	94	(2,242)	n.m

n.m. denotes not meaningful.

Table 2 - Financial Position

S$'000	As at 30-Sep-2020	As at 31-Dec-2019
Current assets	43,811	44,397
Non-current assets	175,469	176,540
Current liabilities	(26,698)	(28,706)
Non-current liabilities	(15,417)	(15,158)
Net assets	**177,165**	**177,073**
Equity		
Share capital	277,433	277,433
Treasury shares	(236)	(438)
Share-based compensation reserve	-	235
Capital reserve	31	-
Currency translation reserve	799	797
Accumulated losses	(100,862)	(100,954)
Shareholders' fund	**177,165**	**177,073**

Business Outlook

Governments across the world have seen little respite from the COVID-19 outbreak, with a second wave hitting European nations from October 2020. While many of these nations have been thrust into lockdown, Singapore has made significant strides in containing the pandemic. However, even as Singaporeans begin to look forward to Phase 3 of the Circuit Breaker measures where restrictions are further relaxed, risks of a renewed wave of infections remain high till a proven vaccine is developed.

The gradual resumption of business travel since the announcement of Phase 2 of the Circuit Breaker measures has re-opened travel doorways through Reciprocal Green Lane arrangements. With this development, strict protocols had to be put in place to safeguard the health and safety of citizens. Pre-departure testing is a critical part of the application process, and to support government testing facilities, 26 Healthway Medical General Practitioner (GP) clinics currently offer these pre-business travel swab tests.

In Singapore, healthcare providers continue to cater to the wide spectrum of community healthcare needs. With the convergence of the COVID-19 situation and the traditional peak flu season, our GP clinics continue to work closely with the Ministry of Health to offer subsidised flu vaccines to Singaporeans through the CHAS programme. With the enhanced National Adult Immunisation Schedule (NAIS) launched in November 2020 and a greater awareness of general health and wellbeing brought about by the pandemic, our clinics have seen an increase in patients seeking the flu vaccine compared to the same period last year.

To complement the services of our island-wide network of clinics, Healthway Medical's proprietary teleconsultation app was launched in August 2020. The app consolidates our range of teleconsultation services under one mobile app for the convenience and safety of our patients. At present, the app features a range of primary and specialist healthcare clinics including 47 GP clinics, SBCC Baby & Child Clinic, Island Orthopaedics, and the Nobel Group of clinics. Initiatives such as these enable an omni-channel and technologically-enabled approach that unifies our services and cater to the evolving healthcare needs of our patients.

Notwithstanding near-term headwinds, the long-term outlook for the industry continues to be underpinned by a growing aging population and the subsequent need for further provisions for the management of chronic illnesses. Healthway Medical remains firmly committed to providing high-quality care for patients across this entire spectrum of healthcare concerns through our island-wide network of Primary and Specialist clinics.

In spite of the global uncertainty due to COVID-19 and geopolitical factors, the Group believes that we will remain resilient through this challenging time. As one of the major healthcare players in the Singapore market, we will continue to adopt prudent and forward-looking strategies to deliver sustainable value to our shareholders.

BY ORDER OF THE BOARD

Raymond Lam
Company Secretary
12 November 2020

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

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