# HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 ("2015 Q2")**

This announcement has been prepared by Healthway Medical Corporation Limited (the "**Company**") and its contents have been reviewed by PrimePartners 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.

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## 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 | | | 6 months ended | | |
|---|---|---|---|---|---|---|
| | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % |
| Revenue | 24,059 | 20,824 | 15.5 | 47,738 | 42,840 | 11.4 |
| Other operating income | 1,659 | 2,293 | (27.6) | 5,358 | 3,220 | 66.4 |
| Medical supplies, consumables and laboratory expenses | (4,680) | (4,623) | 1.2 | (9,232) | (9,035) | 2.2 |
| Staff costs | (14,671) | (13,339) | 10.0 | (29,345) | (26,583) | 10.4 |
| Depreciation of property, plant and equipment | (334) | (303) | 10.2 | (667) | (606) | 10.1 |
| Amortisation of intangible assets | (74) | (72) | 2.8 | (148) | (145) | 2.1 |
| Other operating expenses | (3,226) | (3,472) | (7.1) | (6,579) | (6,828) | (3.6) |
| Finance costs | (259) | (252) | 2.8 | (505) | (515) | (1.9) |
| Profit before income tax | 2,474 | 1,056 | 134.3 | 6,620 | 2,348 | 181.9 |
| Income tax expense | (425) | (536) | (20.7) | (1,054) | (399) | 164.2 |
| Profit for the period attributable to shareholders | 2,049 | 520 | 294.0 | 5,566 | 1,949 | 185.6 |
| Other comprehensive loss, net of tax | (111) | (2,807) | (96.0) | (614) | (4,016) | (84.7) |
| Total comprehensive income / (loss) for the period | 1,938 | (2,287) | n.m. | 4,952 | (2,067) | n.m. |

n.m. denotes not meaningful.

**Explanatory notes to the income statement**

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

| | 3 months ended | | | 6 months ended | | |
|---|---|---|---|---|---|---|
| | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % |
| Interest income | (609) | (364) | 67.3 | (1,196) | (716) | 67.0 |
| Rental income | (46) | (134) | (65.7) | (152) | (225) | (32.4) |
| (Gain) / loss on disposal of available-for-sale financial assets reclassified from equity | - | (525) | n.m. | (727) | 220 | n.m. |
| Interest expense | 259 | 252 | 2.8 | 505 | 515 | (1.9) |
| Property, plant & equipment written off | 40 | 99 | (59.6) | 41 | 128 | (68.0) |
| Foreign exchange loss / (gain) | 310 | 74 | 318.9 | (247) | 401 | n.m. |
| Operating lease expenses | 2,003 | 2,209 | (9.3) | 4,084 | 4,265 | (4.2) |

**Statement of comprehensive income**

| | 3 months ended | | | 6 months ended | | |
|---|---|---|---|---|---|---|
| | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % | 30.06.15 S$'000 | 30.06.14 S$'000 | Change % |
| Profit for the period | 2,049 | 520 | 294.0 | 5,566 | 1,949 | 185.6 |
| Foreign exchange differences | (111) | 339 | n.m. | 85 | (161) | n.m. |
| Change in fair value of available-for-sale financial assets | - | (2,621) | n.m. | 28 | (4,075) | n.m. |
| Change in fair value of available-for-sale financial assets reclassified to profit or loss | - | (525) | n.m. | (727) | 220 | n.m. |
| Other comprehensive loss for the period, net of tax | (111) | (2,807) | (96.0) | (614) | (4,016) | (84.7) |
| Total comprehensive income / (loss) for the period | 1,938 | (2,287) | n.m. | 4,952 | (2,067) | 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 | |
|---|---|---|---|---|
| | 30.06.15 S$'000 | 31.12.14 S$'000 | 30.06.15 S$'000 | 31.12.14 S$'000 |
| **Current Assets** | | | | |
| Cash and cash equivalents | 3,607 | 3,157 | 2,036 | 1,936 |
| Trade and other receivables | 82,404 | 75,260 | 12,432 | 6,352 |
| Inventories | 2,166 | 2,393 | - | - |
| Available-for-sale financial assets | 21 | 756 | 21 | 756 |
| | 88,198 | 81,566 | 14,489 | 9,044 |
| **Non-Current Assets** | | | | |
| Trade and other receivables | 22,079 | 20,358 | - | - |
| Investments in subsidiaries | - | - | 193,510 | 196,970 |
| Property, plant and equipment | 5,933 | 6,031 | - | - |
| Intangible assets | 122,049 | 122,197 | 211 | 355 |
| | 150,061 | 148,586 | 193,721 | 197,325 |
| **Total Assets** | 238,259 | 230,152 | 208,210 | 206,369 |
| **Equity** | | | | |
| Share capital | 201,381 | 201,381 | 201,381 | 201,381 |
| Reserves | (5,804) | (10,756) | (6,064) | (7,182) |
| **Total Equity** | 195,577 | 190,625 | 195,317 | 194,199 |
| **Current Liabilities** | | | | |
| Trade and other payables | 23,389 | 22,413 | 1,281 | 1,121 |
| Current income tax liabilities | 1,323 | 365 | 14 | 101 |
| Borrowings | 13,472 | 12,431 | 9,499 | 9,410 |
| | 38,184 | 35,209 | 10,794 | 10,632 |
| **Non-Current Liabilities** | | | | |
| Borrowings | 3,937 | 3,748 | 2,099 | 1,538 |
| Deferred income tax liabilities | 204 | 204 | - | - |
| Provisions | 357 | 366 | - | - |
| | 4,498 | 4,318 | 2,099 | 1,538 |
| **Total Liabilities** | 42,682 | 39,527 | 12,893 | 12,170 |
| **Total Equity and Liabilities** | 238,259 | 230,152 | 208,210 | 206,369 |

**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 30.06.15 | | As at 31.12.14 | |
|---|---|---|---|---|
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Amount repayable within one year | 11,224 | 1,464 | 9,604 | 2,150 |
| Amount repayable after one year | 2,910 | - | 2,843 | - |

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

(i) joint and several guarantees from former directors of the Company and subsidiaries; and

(ii) 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 30.06.15 | As at 31.12.14 |
|---|---|---|
| | S$'000 | S$'000 |
| Amount repayable within one year | 784 | 677 |
| Amount repayable after one year | 1,027 | 905 |

**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 | | 6 months ended | |
|---|---|---|---|---|
| | 30.06.15 S$'000 | 30.06.14 S$'000 | 30.06.15 S$'000 | 30.06.14 S$'000 |
| **Cash flows from operating activities** | | | | |
| Profit for the period | 2,049 | 520 | 5,566 | 1,949 |
| Adjustments for: | | | | |
| Income tax expense | 425 | 536 | 1,054 | 399 |
| Amortisation of intangible assets | 74 | 72 | 148 | 145 |
| (Gain) / loss on disposal of available-for-sale financial assets reclassified from equity | - | (525) | (727) | 220 |
| Depreciation of property, plant and equipment | 334 | 303 | 667 | 606 |
| Property plant and equipment written off | 40 | 99 | 41 | 128 |
| Exchange differences | 642 | (488) | 85 | (161) |
| Interest expense | 259 | 252 | 505 | 515 |
| Interest income | (609) | (364) | (1,196) | (716) |
| | 3,214 | 405 | 6,143 | 3,085 |
| Changes in working capital: | | | | |
| Inventories | 397 | 236 | 227 | 105 |
| Trade and other receivables | (1,581) | 15,090 | (5,426) | 10,792 |
| Trade and other payables | 153 | (8,024) | 1,554 | (6,262) |
| Cash generated from operations | 2,183 | 7,707 | 2,498 | 7,720 |
| Income tax paid | (226) | (452) | (96) | (269) |
| **Net Cash generated from operating activities** | **1,957** | **7,255** | **2,402** | **7,451** |
| **Cash flows from investing activities** | | | | |
| Purchase of property, plant and equipment | (474) | 123 | (580) | (353) |
| Loan receivables | (928) | (12,328) | (3,439) | (12,844) |
| Proceeds from sale of available-for-sale financial assets | - | 1,802 | 763 | 3,301 |
| Interest received | 609 | 364 | 1,196 | 716 |
| **Net Cash used in investing activities** | **(793)** | **(10,039)** | **(2,060)** | **(9,180)** |
| **Cash flows from financing activities** | | | | |
| Proceeds from borrowings | 7,449 | 6,520 | 15,966 | 8,393 |
| Repayment of borrowings | (8,150) | (3,695) | (14,965) | (5,421) |
| Fixed deposits pledged | 150 | (1) | 147 | (2) |
| Net repayment of finance lease liabilities | (218) | (54) | (388) | (210) |
| Interest paid | (259) | (252) | (505) | (515) |
| **Net Cash (used in) / generated from financing activities** | **(1,028)** | **2,518** | **255** | **2,245** |
| Net increase / (decrease) in cash and cash equivalents | 136 | (266) | 597 | 516 |
| Cash and cash equivalents at beginning of period | 1,498 | 2,334 | 1,037 | 1,553 |
| Effect of exchange rate fluctuations on cash held | - | 1 | - | - |
| **Cash and cash equivalents at end of period** | **1,634** | **2,069** | **1,634** | **2,069** |

| Cash and cash equivalents comprised: | As at 30.06.15 S$'000 | As at 30.06.14 S$'000 |
|---|---|---|
| Deposits with banks | 3,607 | 4,185 |
| Fixed deposits pledged as collaterals | (1,973) | (2,116) |
| | 1,634 | 2,069 |

As at 30 June 2015, the Group acquired property, plant and equipment with an aggregate cost of S$610,000 (2014 Q2: S$838,000), of which S$30,000 (2014 Q2: S$485,000) was acquired under finance leases.

**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 31 March 2015 | 204,430 | (3,049) | 201,381 | 19 | 895 | (8,656) | 193,639 |
| Profit for the period | - | - | - | - | - | 2,049 | 2,049 |
| Foreign exchange differences | - | - | - | - | (111) | - | (111) |
| Total comprehensive income for the period | - | - | - | - | (111) | 2,049 | 1,938 |
| At 30 June 2015 | 204,430 | (3,049) | 201,381 | 19 | 784 | (6,607) | 195,577 |
| **Group - Previous period** | | | | | | | |
| At 31 March 2014 | 204,430 | (3,049) | 201,381 | 18,067 | 124 | (20,584) | 198,988 |
| Profit for the period | - | - | - | - | - | 520 | 520 |
| Net change in fair value of available-for-sale financial assets | - | - | - | (3,146) | - | - | (3,146) |
| Foreign exchange differences | - | - | - | - | 339 | - | 339 |
| Total comprehensive income for the period | - | - | - | (3,146) | 339 | 520 | (2,287) |
| At 30 June 2014 | 204,430 | (3,049) | 201,381 | 14,921 | 463 | (20,064) | 196,701 |

| | <--------- 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 31 March 2015 | 204,430 | (3,049) | 201,381 | 19 | - | (6,788) | 194,612 |
| Profit for the period | - | - | - | - | - | 705 | 705 |
| Total comprehensive income for the period | - | - | - | - | - | 705 | 705 |
| At 30 June 2015 | 204,430 | (3,049) | 201,381 | 19 | - | (6,083) | 195,317 |
| **Company - Previous period** | | | | | | | |
| At 31 March 2014 | 204,430 | (3,049) | 201,381 | 18,067 | - | (18,861) | 200,587 |
| Profit for the period | - | - | - | - | - | 1,194 | 1,194 |
| Net change in fair value of available-for-sale financial assets | - | - | - | (3,146) | - | - | (3,146) |
| Total comprehensive income for the period | - | - | - | (3,146) | - | 1,194 | (1,952) |
| At 30 June 2014 | 204,430 | (3,049) | 201,381 | 14,921 | - | (17,667) | 198,635 |

**(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 31 March 2015 and 30 June 2015 | 2,308,236,183 | 201,381 |

There was no change in the Company's share capital from 1 April 2015 to 30 June 2015.

Convertibles

The Company did not have any outstanding convertibles as at 30 June 2015 and 30 June 2014.

Treasury shares

The Company had 18,698,000 treasury shares as at 30 June 2015 and 30 June 2014.

**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 30.06.15 | As at 31.12.14 |
|---|---|---|
| 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 financial information as set out in section 1, 4, 5, 6 and 7 of this announcement have been extracted from the consolidated condensed interim financial information that have been reviewed in accordance with Singapore Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

There is no qualification or emphasis of matter in the auditor's report. Please see the review report from the Independent Auditor as enclosed in Annexure I.

**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 2014, 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 2015. 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 | | 6 months ended | |
|---|---|---|---|---|
| | **30.06.15** | **30.06.14** | **30.06.15** | **30.06.14** |
| Basic and diluted earnings per ordinary share (Singapore cents) | 0.09 | 0.02 | 0.24 | 0.08 |

Basic and diluted earnings per share of the Group for the 3 months and 6 months ended 30 June 2015 and 30 June 2014 are calculated based on the weighted average number of ordinary shares in issue of 2,308,236,183.

There were no potentially dilutive ordinary shares in existence during the 3 months and 6 months ended 30 June 2015 and 30 June 2014, and accordingly, basic earnings per ordinary share and diluted earnings 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 30.06.15 | As at 31.12.14 | As at 30.06.15 | As at 31.12.14 |
| Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents) | 8.47 | 8.26 | 8.46 | 8.41 |

The net asset value per ordinary share of the Group and the Company as at 30 June 2015 were calculated based on the total number of issued shares, excluding treasury shares, of 2,308,236,183 (31 December 2014: 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 quarter ended 30 June 2015 ("FY2015 Q2") was S$24.1 million, an increase of S$3.3 million or 15.5% from S$20.8 million for the quarter ended 30 June 2014 ("FY2014 Q2"). The increase was mainly due to increase in revenue from the Primary Healthcare segment by S$2.8 million, from S$10.5 million in FY2014 Q2 to S$13.3 million in FY2015 Q2 and from the Specialist & Wellness Healthcare segment by S$0.5 million, from S$10.3 million in FY2014 Q2 to S$10.8 million in FY2015 Q2. The overall increase in revenue was mainly due to increase in patient load.

The Group's other operating income decreased by S$0.6 million or 27.6% from S$2.3 million for FY2014 Q2 to S$1.7 million for FY2015 Q2. The decrease was mainly due to the absence in FY2015 Q2 of S$0.5 million gain on disposal of available-for-sale financial assets reclassified from equity which occurred in FY2014 Q2, offset by increase in interest income of S$0.2 million from S$0.4 million in FY2014 Q2 to S$0.6 million in FY2015 Q2. The increase in interest income was mainly due to higher loan receivables balances.

Total operating costs for 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, increased by S$1.2 million or 5.4% from S$21.8 million for FY2014 Q2 to S$23.0 million for FY2015 Q2. The increase was mainly due to higher staff costs of S$1.3 million which was in line with the increase in revenue.

The Group's net profit before income tax for FY2015 Q2 was S$2.5 million as compared to S$1.1 million in FY2014 Q2 and the net profit attributable to shareholders for FY2015 Q2 was S$2.0 million as compared to net profit attributable to shareholders of S$0.5 million for FY2014 Q2.

Financial position

Non-current assets (comprising trade and other receivables, property, plant and equipment and intangible assets) were S$150.1 million as at 30 June 2015, compared to S$148.6 million as at 31 December 2014. This was mainly due to an increase trade and other receivables of S$1.7 million as a result of increase in loan receivables, offset by decrease of S$0.1 million in property, plant and equipment and decrease of S$0.1 million in intangible assets.

Current assets (comprising cash and cash equivalents, trade and other receivables, inventories and available-for-sale financial assets) were S$88.2 million as at 30 June 2015. This was S$6.6 million higher than S$81.6 million as at 31 December 2014. The increase was mainly due to an increase of S$7.1 million in trade and other receivables and increase in cash and cash equivalents of S$0.5 million, offset by decrease in inventories of S$0.2 million and decrease in available-for-sale financial assets ("AFS") of S$0.7 million following the disposal of most of the AFS in the open market. The increase in trade and other receivables of S$7.1 million was mainly due to increase in receivables from third party clinics managed by the Group of S$6.2 million. The remaining AFS balance as at 30 June 2015 pertains to the balance of shares (which remains untransferable) to the scrip-based shareholders of the Company pursuant to the Distribution in Specie approved by the shareholders on 22 May 2013.

Non-current liabilities (comprising borrowings, deferred income tax liabilities and provisions) were S$4.5 million as at 30 June 2015, an increase of S$0.2 million from S$4.3 million as at 31 December 2014, mainly due to additional loans drawn down during FY2015 Q2.

Current liabilities (comprising trade and other payables, current income tax liabilities and borrowings) were S$38.2 million as at 30 June 2015, an increase of S$3.0 million from S$35.2 million as at 31 December 2014. This is mainly due to an increase of S$1.1 million in financial liabilities as a result of additional loans drawn down, as well as increase in trade and other payables of S$1.0 million which was in line with the increase in operating costs and increase in income tax liabilities of S$0.9 million mainly as a result of tax provision for the 6 months ended 30 June 2015 results.

The Group had a positive working capital of S$50.0 million as at 30 June 2015, as compared to S$46.4 million as at 31 December 2014.

Cash flow statement

As at 30 June 2015, the Group had cash and cash equivalents amounting to S$1.6 million, net of fixed deposits pledged of S$2.0 million, as compared to cash and cash equivalents amounting to S$2.1 million, net of fixed deposits pledged of S$2.1 million as at 30 June 2014.

The significant cash movements during FY2015 Q2 as compared to FY2014 Q2 can be summarised as follows : -

Cash flow generated from operating activities for FY2015 Q2 amounted to S$2.0 million as compared to cash flow generated from operating activities of S$7.3 million for FY2014 Q2. The cash flow generated from operating activities for FY2015 Q2 was mainly due to decrease in inventories of S$0.4 million, offset by an increase in trade and other receivables of S$1.6 million.

Cash flow used in investing activities for FY2015 Q2 was S$0.8 million as compared to cash flow used in investing activities of S$10.0 million for FY2014 Q2. The cash flow used in investing activities for FY2015 Q2 was mainly due to increase in loan receivables of S$0.9 million and purchase of property, plant and equipment of S$0.5 million, offset by interest received of S$0.6 million.

Cash flow used in financing activities was S$1.0 million for FY2015 Q2 as compared to cash flow generated from financing activities of S$2.5 million for FY2014 Q2. The cash flow used in financing activities in FY2015 Q2 was mainly due to repayment of loan of S$8.2 million, net repayment of finance lease liabilities of S$0.2 million and interest paid of S$0.3 million, offset by proceeds from loans of S$7.4 million for working capital purposes and reduction in fixed deposits pledged of S$0.2 million.

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

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

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The Group continues to improve the quality of its patient care and focus on achieving cost improvement by streamlining of the operations through operational efficiency, better resources management and utilisation.

**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 Group has obtained a general mandate from shareholders for IPTs between the Group and Healthway Medical Development (Private) Limited ("**HMD**"). However, there were no IPTs between the Group and HMD during FY2015 Q2.

There were also no IPTs of S$100,000 or more entered into by the Group during FY2015 Q2.

## 14. Confirmation pursuant to Rule 705(5).

The Board of Directors (the "**Board**") of the Company has confirmed that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the quarter and 6 months ended 30 June 2015 to be false or misleading in any material aspect.

## 15. The Singapore Code on Take-overs and Mergers

On 19 June 2015, Healthway Medical Corporation Limited (the "Company" and together with its subsidiaries, the "Group") announced the proposed acquisition (the "Acquisition") by International Healthway Corporation Limited ("IHC" and together with its subsidiaries, the "IHC Group") of all the issued and paid-up ordinary shares in the capital of the Company (the "Shares") by way of a scheme of arrangement (the "Scheme") under Section 210 of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and in accordance with the Singapore Code on Take-overs and Mergers (the "Code").

In view of the above, this announcement has been reported on in accordance with Rule 25 of the Code with the following Annexures:

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| Annexure I | – | Report dated 11 August 2015 from PricewaterhouseCoopers LLP, Public Accountants and Chartered Accountants of Singapore ("Independent Auditors of the Company") on their review of the consolidated condensed interim financial information for the six-month period ended 30 June 2015. |
| Annexure II | – | Report dated 11 August 2015 from SAC Capital Private Limited, the Independent Financial Adviser to the Directors of the Company who are considered independent for the purpose of making a recommendation to the shareholders of the Company in respect of the Scheme, on their review of the unaudited consolidated financial statement for the six-month period ended 30 June 2015. |

**BY ORDER OF THE BOARD**

Mr Yeow Ming Ying
Executive Director
11 August 2015