

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

Condensed interim financial statements for the six  
months and full year ended 31 December 2021

<b>Table of Contents</b>	<b>Page</b>
Condensed interim consolidated statement of comprehensive income	3
Condensed interim statements of financial position	4
Condensed interim statements of changes in equity	5
Condensed interim consolidated statement of cash flows	7
Notes to the condensed interim consolidated financial statement	8
Other information required by Appendix 7C of the Catalist Rules	29

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

Condensed interim consolidated statements of comprehensive income  
six months and full year ended 31 December 2021

	Note	Group		Change %	Group		Change %
		6 months ended			12 months ended		
		31.12.2021 \$'000	31.12.2020 \$'000		31.12.2021 \$'000	31.12.2020 \$'000	
Revenue	3	73,511	51,722	42.1	139,922	97,433	43.6
Other income		2,402	2,556	(6.0)	3,378	4,669	(27.7)
Other losses – net		-	*	n.m.	-	*	n.m.
Expenses by nature							
- Medical supplies, consumables and laboratory expenses		(14,384)	(10,252)	40.3	(27,296)	(19,035)	43.4
- Staff costs		(45,403)	(30,717)	47.8	(83,306)	(59,877)	39.1
- Depreciation of property, plant and equipment		(5,394)	(5,308)	1.6	(10,755)	(10,757)	n.m.
- Amortisation of intangible assets		(74)	(26)	184.6	(135)	(26)	419.2
- Rental expenses		(109)	(50)	118.0	(196)	(237)	(17.3)
- Impairment loss on trade and other receivables – net		(38)	(233)	(83.7)	(78)	(973)	(92.0)
- Finance expenses		(447)	(470)	(4.9)	(839)	(965)	(13.1)
- Other expenses		(5,215)	(4,033)	29.3	(10,169)	(7,473)	36.1
Total expenses		(71,064)	(51,089)	39.1	(132,774)	(99,343)	33.7
Share of loss of associate		(180)	(125)	44.0	(300)	(239)	25.5
<b>Profit before income tax</b>	5	<b>4,669</b>	<b>3,064</b>	52.4	<b>10,226</b>	<b>2,520</b>	305.8
Income tax credit	6	602	714	(15.7)	469	714	(34.3)
<b>Total profit for the financial period / year, net of tax</b>		<b>5,271</b>	<b>3,778</b>	39.5	<b>10,695</b>	<b>3,234</b>	230.7
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
- Currency translation gains arising from consolidation – net		-	1	n.m.	-	2	n.m.
<b>Other comprehensive income for the period / year, net of tax</b>		<b>-</b>	<b>1</b>	n.m.	<b>-</b>	<b>2</b>	n.m.
<b>Total comprehensive income for the period / year</b>		<b>5,271</b>	<b>3,779</b>	39.5	<b>10,695</b>	<b>3,236</b>	n.m.
<b>Total profit for the period / year attributable to:</b>							
Equity holders of the Company		5,345	3,778	41.5	10,769	3,234	233.0
Non-controlling interests		(74)	-	n.m.	(74)	-	n.m.
<b>Total comprehensive income for the period/year attributable to:</b>		<b>5,345</b>	<b>3,779</b>	41.4	<b>10,769</b>	<b>3,236</b>	n.m.
Equity holders of the Company		5,345	3,779	41.4	10,769	3,236	n.m.
Non-controlling interests		(74)	-	n.m.	(74)	-	n.m.
<b>Profit per share attributable to owners of the Company (cents per share)</b>							
Basic and diluted profit per share	12	0.12	0.08	41.2	0.24	0.07	n.m.

\* less than \$1,000

n.m.: Not meaningful

*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 31 December 2021

	Note	Group		Company	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	7	33,552	27,411	28,961	22,691
Trade and other receivables	8	23,382	15,571	338	642
Inventories		3,536	3,322	-	-
		<b>60,470</b>	<b>46,304</b>	<b>29,299</b>	<b>23,333</b>
<b>Non-current assets</b>					
Trade and other receivables	8	1,521	1,500	300	545
Investments in subsidiaries		-	-	207,397	212,154
Investment in an associate		1,429	1,730	2,108	1,730
Property, plant and equipment	14	21,724	22,635	983	1,663
Intangible assets	13	149,496	146,587	593	604
Derivative asset	11	605	-	-	-
Deferred income tax assets		1,484	714	-	-
		<b>176,259</b>	<b>173,166</b>	<b>211,381</b>	<b>216,696</b>
<b>Total assets</b>		<b>236,729</b>	<b>219,470</b>	<b>240,680</b>	<b>240,029</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	9	24,906	17,777	1,414	1,610
Current income tax liabilities		613	29	141	-
Borrowings	15	910	872	-	-
Lease liabilities		7,220	7,624	764	730
		<b>33,649</b>	<b>26,302</b>	<b>2,319</b>	<b>2,340</b>
<b>Non-current liabilities</b>					
Borrowings	15	508	1,507	-	-
Deferred income tax liabilities		901	1,178	-	-
Provisions		1,645	1,707	105	105
Lease liabilities		7,888	7,803	395	1,160
Trade and other payables	9	3,491	431	-	-
		<b>14,433</b>	<b>12,626</b>	<b>500</b>	<b>1,265</b>
<b>Total liabilities</b>		<b>48,082</b>	<b>38,928</b>	<b>2,819</b>	<b>3,605</b>
<b>NET ASSETS</b>		<b>188,647</b>	<b>180,542</b>	<b>237,861</b>	<b>236,424</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to owners of the Company</b>					
Share capital	16	277,433	277,433	277,433	277,433
Treasury shares	16	(33)	(236)	(33)	(236)
Other reserves	17	(2,918)	1,065	297	266
Accumulated losses		(86,152)	(97,720)	(39,836)	(41,039)
<b>Equity attributable to owners of the Company</b>		<b>188,330</b>	<b>180,542</b>	<b>237,861</b>	<b>236,424</b>
Non-controlling interests		317	-	-	-
<b>Total equity</b>		<b>188,647</b>	<b>180,542</b>	<b>237,861</b>	<b>236,424</b>

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 year ended 31 December 2021

Group	Note	Share capital \$'000	Treasury shares \$'000	Share-based compensation reserve \$'000	Currency translation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2021</b>										
Balance at 1 January 2021	16/17	277,433	(236)	235	799	31	(97,720)	180,542	-	180,542
Profit for the year, representing total comprehensive income for the year		-	-	-	-	-	10,769	10,769	(74)	10,695
<u>Contributions by and distributions to owners</u>										
Treasury shares reissued pursuant to share-based compensation plans		-	203	(235)	-	32	-	-	-	-
Value of employee services		-	-	235	-	-	-	235	-	235
Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary		-	-	-	(799)	-	799	-	-	-
Acquisition of subsidiaries		-	-	-	-	(3,215)	-	(3,215)	391	(2,824)
Share reissuance expenses		-	-	-	-	(1)	-	(1)	-	(1)
Total contributions by and distributions to owners		-	203	-	(799)	(3,184)	799	(2,981)	391	(2,590)
<b>Balance at 31 December 2021</b>		<b>277,433</b>	<b>(33)</b>	<b>235</b>	<b>-</b>	<b>(3,153)</b>	<b>(86,152)</b>	<b>188,330</b>	<b>317</b>	<b>188,647</b>
<b>2020</b>										
Balance at 1 January 2020	16/17	277,433	(438)	235	797	-	(100,954)	177,073	-	177,073
Profit for the year		-	-	-	-	-	3,234	3,234	-	3,234
<u>Other comprehensive income</u>										
Foreign currency translation differences		-	-	-	2	-	-	2	-	2
Total comprehensive income for the year		-	-	-	2	-	3,234	3,236	-	3,236
<u>Contributions by and distributions to owners</u>										
Treasury shares reissued pursuant to share-based compensation plans		-	202	(235)	-	33	-	-	-	-
Value of employee services		-	-	235	-	-	-	235	-	235
Share reissuance expenses		-	-	-	-	(2)	-	(2)	-	(2)
Total contributions by and distributions to owners		-	202	-	-	31	-	233	-	233
<b>Balance at 31 December 2020</b>		<b>277,433</b>	<b>(236)</b>	<b>235</b>	<b>799</b>	<b>31</b>	<b>(97,720)</b>	<b>180,542</b>	<b>-</b>	<b>180,542</b>

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

**Condensed interim statements of changes in equity  
For the year ended 31 December 2021**

Company	Note	Share capital \$'000	Treasury shares \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>2021</b>							
Balance at 1 January 2021	16/17	277,433	(236)	235	31	(41,039)	236,424
Profit for the year, representing total comprehensive income for the year		-	-	-	-	1,203	1,203
<u>Contributions by and distributions to owners</u>							
Treasury shares reissued pursuant to share-based compensation plans		-	203	(235)	32	-	-
Value of employee services		-	-	235	-	-	235
Share reissuance expenses		-	-	-	(1)	-	(1)
Total contributions by and distributions to owners		-	203	-	31	-	234
<b>Balance at 31 December 2021</b>		<b>277,433</b>	<b>(33)</b>	<b>235</b>	<b>62</b>	<b>(39,836)</b>	<b>237,861</b>
<b>2020</b>							
Balance at 1 January 2020	16/17	277,433	(438)	235	-	(41,297)	235,933
Profit for the year, representing total comprehensive income for the year		-	-	-	-	258	258
<u>Other comprehensive income</u>							
Foreign currency translation differences		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	258	258
<u>Contributions by and distributions to owners</u>							
Treasury shares reissued pursuant to share-based compensation plans		-	202	(235)	33	-	-
Value of employee services		-	-	235	-	-	235
Share reissuance expenses		-	-	-	(2)	-	(2)
Total contributions by and distributions to owners		-	202	-	31	-	233
<b>Balance at 31 December 2020</b>		<b>277,433</b>	<b>(236)</b>	<b>235</b>	<b>31</b>	<b>(41,039)</b>	<b>236,424</b>

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 consolidated statement of cash flows**  
**For the year ended 31 December 2021**

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	10,226	2,520
Adjustments for:		
- Depreciation of property, plant and equipment	10,755	10,757
- Amortisation of intangible assets	135	26
- Loss on disposal of property, plant and equipment	17	228
- Property, plant and equipment written off	121	32
- Intangible assets written off	14	-
- Fair value gain on derivative asset	(224)	-
- Impairment loss on trade and other receivables – net	78	973
- Gain on disposal of clinic	(125)	-
- Write back of provision for onerous lease contracts	-	(20)
- Finance expenses	839	965
- Interest income	(54)	(140)
- Share-based compensation expense	235	235
- Share of loss of associate	300	239
- Unrealised currency translation loss – net	-	2
Operating cash inflows before changes in working capital	<u>22,317</u>	<u>15,817</u>
Changes in working capital:		
- Inventories	(23)	(85)
- Trade and other receivables	(7,164)	1,222
- Trade and other payables	6,724	(2,080)
- Provisions	(101)	(134)
Cash flows generated from operations	<u>21,753</u>	<u>14,740</u>
Income tax paid	(5)	(8)
<b>Net cash flows generated from operating activities</b>	<b><u>21,748</u></b>	<b><u>14,732</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,418)	(347)
Purchase of intangible assets	(149)	(162)
Acquisition of clinics	(336)	(1,080)
Acquisition of subsidiaries, net of cash acquired	(3,361)	-
Proceeds on disposal of clinic	125	-
Interest received	54	140
<b>Net cash flows used in investing activities</b>	<b><u>(5,085)</u></b>	<b><u>(1,449)</u></b>
<b>Cash flows from financing activities</b>		
Bank deposits pledged	-	(17)
Repayment of other secured borrowings	(960)	(997)
Principal payment of lease liabilities	(8,779)	(8,422)
Interest paid	(783)	(965)
<b>Net cash flows used in financing activities</b>	<b><u>(10,522)</u></b>	<b><u>(10,401)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>6,141</b>	<b>2,882</b>
Cash and cash equivalents at the beginning of financial period	26,736	23,852
Effects of currency translation on cash and cash equivalents	-	2
<b>Cash and cash equivalents at the end of financial period</b>	<b><u>32,877</u></b>	<b><u>26,736</u></b>

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

---

**1. Corporate information**

Healthway Medical Corporation Limited (the "Company") 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 and full year ended 31 December 2021 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 interim financial statements for the period ended 30 June 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 2.3.

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 2020.

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 year ended 31 December 2021**

---

**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, 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.

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

3.1 Reportable segments

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

<u>From 1 July 2021 to 31 December 2021</u>	Singapore		China	Total
	Primary Healthcare	Specialist Healthcare	Specialist Healthcare	
	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>				
Total segment sales and sales to external parties	47,862	25,649	-	73,511
<b>Adjusted EBITDA</b>	6,152	4,256	104	10,512
Depreciation of property, plant and equipment	3,680	1,714	-	5,394
Amortisation of intangible assets	74	-	-	74
<b>Segment assets</b>	130,643	84,763	-	215,406
Segment assets include:				
- Additions to property, plant and equipment	2,835	2,483	-	5,318
- Additions to intangible assets	112	-	-	112
<b>Segment liabilities</b>	26,461	15,433	-	41,894

  

<u>From 1 July 2020 to 31 December 2020</u>	Singapore		China	Total
	Primary Healthcare	Specialist Healthcare	Specialist Healthcare	
	\$'000	\$'000	\$'000	\$'000
<b>Sales</b>				
Total segment sales and sales to external parties	26,757	24,965	-	51,722
<b>Adjusted EBITDA</b>	4,744	4,229	(16)	8,957
Depreciation of property, plant and equipment	3,423	1,885	-	5,308
Amortisation of intangible assets	26	-	-	26
<b>Segment assets</b>	113,836	85,377	35	199,248
Segment assets include:				
- Additions to property, plant and equipment	2,802	1,136	-	3,938
- Additions to intangible assets	55	-	-	55
<b>Segment liabilities</b>	22,741	12,231	370	35,342

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

3.1 Reportable segments (continued)

<u>From 1 January 2021 to 31 December 2021</u>	Singapore		China	Total
	Primary Healthcare	Specialist Healthcare	Specialist Healthcare	
	\$'000	\$'000	\$'000	
<b>Sales</b>				
Total segment sales and sales to external parties	87,537	52,385	-	139,922
<b>Adjusted EBITDA</b>	13,211	8,732	34	21,977
Depreciation of property, plant and equipment	7,184	3,571	-	10,755
Amortisation of intangible assets	135	-	-	135
<b>Segment assets</b>	130,643	84,763	-	215,406
Segment assets include:				
- Additions to property, plant and equipment	6,282	2,504	-	8,786
- Additions to intangible assets	149	-	-	149
<b>Segment liabilities</b>	26,461	15,433	-	41,894
<u>From 1 January 2020 to 31 December 2020</u>	Singapore		China	Total
Primary Healthcare	Specialist Healthcare	Specialist Healthcare		
\$'000	\$'000	\$'000		
<b>Sales</b>				
Total segment sales and sales to external parties	50,497	46,936	-	97,433
<b>Adjusted EBITDA</b>	8,152	6,288	(73)	14,367
Depreciation of property, plant and equipment	6,982	3,773	2	10,757
Amortisation of intangible assets	26	-	-	26
<b>Segment assets</b>	113,836	85,377	35	199,248
Segment assets include:				
- Additions to property, plant and equipment	4,192	2,761	-	6,953
- Additions to intangible assets	1,703	-	-	1,703
<b>Segment liabilities</b>	22,741	12,231	370	35,342

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

**3.1 Reportable segments** (continued)

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*

	<b>Group</b>	
	<b>6 months ended 31.12.2021</b>	<b>6 months ended 31.12.2020</b>
	\$'000	\$'000
Adjusted EBITDA for reportable segments	10,512	8,957
Depreciation of property, plant and equipment	(5,394)	(5,308)
Amortisation of intangible assets	(74)	(26)
Interest income	28	36
Fair value gain on derivative asset	224	-
Finance expenses	(447)	(470)
Share of loss of associate – net of tax	(180)	(125)
<b>Profit before income tax</b>	<b>4,669</b>	<b>3,064</b>

	<b>Group</b>	
	<b>12 months ended 31.12.2021</b>	<b>12 months ended 31.12.2020</b>
	\$'000	\$'000
Adjusted EBITDA for reportable segments	21,977	14,367
Depreciation of property, plant and equipment	(10,755)	(10,757)
Amortisation of intangible assets	(135)	(26)
Interest income	54	140
Fair value gain on derivative asset	224	-
Finance expenses	(839)	(965)
Share of loss of associate – net of tax	(300)	(239)
<b>Profit before income tax</b>	<b>10,226</b>	<b>2,520</b>

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

**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:

	<b>Group</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000
Segment assets for reportable segments	215,406	199,248
Unallocated:		
- Short-term bank deposits	17,805	17,778
- Investment in associate	1,429	1,730
- Derivative asset	605	-
- Deferred tax assets	1,484	714
<b>Total assets</b>	<b>236,729</b>	<b>219,470</b>

(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:

	<b>Group</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000
Segment liabilities for reportable segments	41,894	35,342
Unallocated:		
- Current income tax liabilities	613	29
- Deferred income tax liabilities	901	1,178
- Financial liabilities	3,256	-
- Borrowings	1,418	2,379
<b>Total liabilities</b>	<b>48,082</b>	<b>38,928</b>

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

3.1 Reportable segments (continued)

(b) Geographical information

Sales for continuing operations

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Singapore	73,511	51,722	139,922	97,433

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 2020:

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	57,816	44,031	29,530	23,819
Financial assets, at fair value through profit or loss	605	-	-	-
Financial liabilities, at amortised cost	41,092	32,430	2,487	3,447

5. Profit before taxation

5.1. Significant items

	Group			
	6 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Rental income	129	102	222	251
Bad debts recovered	29	22	92	24
Government grant income	1,597	1,280	2,057	2,986
Fair value gain on derivative asset	224	-	224	-
Gain on disposal of clinic	-	-	125	-
Lease interest income	11	15	25	20
Interest income	17	21	29	120
<b>Expenses</b>				
Interest expense	45	65	98	141
Deemed interest expense	56	-	56	-
Lease interest expense	346	405	685	824
Intangible assets written off	14	-	14	-
Property, plant and equipment written off	30	21	121	32

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

5.2. Related party transactions

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

	Group			
	6 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Rental and other operating expenses	606	556	1,275	1,063
Rental deposits paid	-	16	-	16
Rental income	108	118	242	242
Staff costs	159	141	289	264

Related parties comprise mainly companies which are controlled or significantly influenced by the deemed controlling shareholder 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		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	549	-	578	-
Deferred income tax credit relating to origination and reversal of temporary differences	(1,151)	(714)	(1,047)	(714)
	<b>(602)</b>	<b>(714)</b>	<b>(469)</b>	<b>(714)</b>

7. Cash and bank balances

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	15,747	9,633	11,780	5,537
Short-term bank deposits	17,805	17,778	17,181	17,154
	<b>33,552</b>	<b>27,411</b>	<b>28,961</b>	<b>22,691</b>

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

**7. Cash and bank balances** (continued)

The bank deposits of the Group include \$675,000 pledged as security for a certain banker's guarantee (2020: \$675,000).

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000
Cash and bank balances (as above)	33,552	27,411
Less: Bank deposits pledged as security	(675)	(675)
	<hr/>	<hr/>
Cash and cash equivalents per consolidated statement of cash flows	<b>32,877</b>	<b>26,736</b>

**8. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade receivables	24,166	17,141	–	–
Less: Allowance for impairment loss	(3,486)	(4,482)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Net trade receivables	20,680	12,659	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Other receivables				
- related parties	318	148	3	28
- non-related parties	82	4,919	4	4,767
	<hr/>	<hr/>	<hr/>	<hr/>
Less: Allowance for impairment loss	400	5,067	7	4,795
	–	(4,527)	–	(4,527)
	<hr/>	<hr/>	<hr/>	<hr/>
	400	540	7	268
	<hr/>	<hr/>	<hr/>	<hr/>
Finance lease receivables	269	289	254	243
Deposits	1,394	1,632	8	72
Prepayments	639	451	69	59
	<hr/>	<hr/>	<hr/>	<hr/>
	23,382	15,571	338	642
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Non-current</b>				
Finance lease receivables	132	400	132	386
Deposits	1,389	1,100	168	159
	<hr/>	<hr/>	<hr/>	<hr/>
	1,521	1,500	300	545

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

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



Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

8. Trade and other receivables (continued)

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

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	9,009	12,103	4,527	4,527
Acquisition of a subsidiaries	22	–	–	–
Provision for impairment loss - net Utilised	78	973	–	–
	(5,623)	(4,067)	(4,527)	–
End of financial year	3,486	9,009	–	4,527

9. Trade and other payables

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables to:				
- non-related parties	11,410	6,667	–	–
Other payables to:				
- non-related parties	3,677	2,387	339	285
- related parties	10	19	10	14
- subsidiaries	–	–	93	544
	15,097	9,073	442	843
Deferred income	345	485	–	–
Accrued expenses	9,464	8,219	972	767
	24,906	17,777	1,414	1,610
<b>Non-current</b>				
Other payables to non-related parties	235	431	–	–
Other payables to non-controlling interest	3,256	–	–	–
	3,491	431	–	–

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.

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

9. Trade and other payables (continued)

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.

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	4.16	3.99	5.25	5.24

The net asset value per ordinary share of the Group and the Company as of 31 December 2021 were calculated based on the total number of issued shares, excluding treasury shares, of 4,527,456,100 (31 December 2020: 4,519,341,200).

11. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table presented the assets measured at fair value:

Group as at 31.12.2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<u>Derivatives</u>				
Option in NCI's shares	—	—	605	<b>605</b>

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

**11. Fair value measurement (continued)**

**Level 3 fair value measurements**

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) as at 31 December 2021:

Group	Valuation technique	Significant unobservable inputs	Range used
<b>Recurring fair value measurement</b>			
Derivatives	Options pricing model	Earnings before interest, taxes, depreciation and amortisation ("EBITDA") growth rates	1.5% to 166.1%

(ii) *Valuation policies and procedures*

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations by management.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(iii) *Movement in Level 3 financial instruments measured at fair value*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

11. Fair value measurement (continued)

Group	Fair value measurements using significant unobservable inputs (Level 3)	
	31.12.2021	31.12.2020
	\$'000	\$'000
At 1 January	–	–
Acquisition of subsidiaries (Note 18)	381	–
Fair value gain (Note 5.1)	224	–
At 31 December	605	–

12. 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			
	6 months ended 31 December		12 months ended 31 December	
	2021	2020	2021	2020
	\$'000	\$'000		
Basic and diluted profit per ordinary share (Singapore cents) <sup>(a)</sup>	0.12 <sup>(b)</sup>	0.08 <sup>(b)</sup>	0.24 <sup>(b)</sup>	0.07 <sup>(b)</sup>

(a) Basic and diluted profit per share of the Group for the 6 months ended 31 December 2021 are calculated based on the weighted average number of ordinary shares in issue of 4,525,521,864 (31 December 2020: 4,517,434,420).

(b) The respective basic and diluted profit per share for the Group for the 12-month ended 31 December 2021 and 31 December 2020 were the same as there were no potentially dilutive ordinary shares as at the end of the respective financial periods.

13. Intangible assets

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Goodwill arising on consolidation (Note (a))	116,484	113,575	–	–
Brand names (Note (a))	32,394	32,394	–	–
Computer software, including licences (Note (b))	618	373	593	359
Computer software in progress (Note (c))	–	245	–	245
	149,496	146,587	593	604

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

13. Intangible assets (continued)

(a) Goodwill arising from consolidation and brand names

	Goodwill \$'000	Brand names \$'000	Total \$'000
<b>Group</b>			
<b>2021</b>			
<i>Cost</i>			
Beginning of financial year	203,031	32,394	235,425
Addition (Note 18)	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
<b>Net carrying amount</b>			
<b>End of financial year</b>	116,484	32,394	148,878
<b>2020</b>			
<i>Cost</i>			
Beginning of financial year	201,465	32,394	233,859
Addition	1,566	–	1,566
	203,031	32,394	235,425
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	–	89,456
<b>Net carrying amount</b>			
<b>End of financial year</b>	113,575	32,394	145,969

**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 \$'000
	Cost \$'000	Accumulated impairment losses \$'000	Brand names \$'000	
<b>2021</b>				
<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

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

13. Intangible assets (continued)

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

	Goodwill		Brand names	Net carrying amount
	Cost	Accumulated impairment losses		
<b>2020</b>				
<u>Service groups</u>				
Family medicine	70,590	(4,500)	8,000	74,090
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
	<u>203,031</u>	<u>(89,456)</u>	<u>32,394</u>	<u>145,969</u>

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.

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 year ended 31 December 2021 (2020: \$Nil).

*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 year ended 31 December 2021

13. Intangible assets (continued)

(b) Computer software, including licences

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial year	2,055	1,670	1,833	1,448
Additions	119	–	93	–
Write-off	(40)	–	–	–
Reclassification	275	385	275	385
End of financial year	2,409	2,055	2,201	1,833
<i>Accumulated amortisation</i>				
Beginning of financial year	1,682	1,656	1,474	1,448
Write-off	(26)	–	–	–
Amortisation for the year	135	26	134	26
End of financial year	1,791	1,682	1,608	1,474
<b>Net carrying amount</b>				
<b>End of financial year</b>	618	373	593	359

(c) Computer software in progress

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial year	245	468	245	468
Addition	30	162	30	162
Reclassification	(275)	(385)	(275)	(385)
End of financial year	–	245	–	245
<i>Accumulated amortisation</i>				
Beginning and end of financial year	–	–	–	–
<b>Net carrying amount</b>				
<b>End of financial year</b>	–	245	–	245

14. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired property, plant and equipment with an aggregate cost of \$8,786,000 (31 December 2020: \$7,150,000), of which \$7,329,000 (31 December 2020: \$6,281,000) relates to right-of-use assets. Cash payments of \$1,418,000 (31 December 2020: \$347,000) were made to purchase property, plant and equipment. As part of acquisition of subsidiaries, property, plant and equipment of \$1,291,000 was acquired during the year which includes right-of-use assets of \$1,192,000.

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

15. Borrowings

	Effective interest rate	Maturity	Group	
			31.12.2021 \$'000	31.12.2020 \$'000
<b>Current</b>				
Other secured borrowings	4.73%-4.75%	2022	910	872
<b>Non-current</b>				
Other secured borrowings	4.73%-4.75%	2023 to 2024	508	1,507
Total borrowings			1,418	2,379

Other secured borrowings are effectively secured over property, plant and equipment (Note 14), 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	
	31.12.2021 \$'000	31.12.2020 \$'000
Minimum lease payments due		
- Not later than one year (undiscounted)	934	964
- Between one and five years (undiscounted)	542	1,569
	1,476	2,533
Less: Future finance charges	(58)	(154)
Present value of other secured borrowings	1,418	2,379

16. 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 year ended 31 December 2021

16. Share capital (continued)

	Group and Company			
	As at 31.12.2021			
	No. of ordinary shares		Amount	
Issued share capital	Treasury shares	Share capital	Treasury shares	
'000	'000	\$'000	\$'000	
<b>2021</b>				
Beginning of financial year	4,528,792	(9,451)	277,433	(236)
Treasury shares reissued pursuant to share-based compensation plans	-	8,115	-	203
End of the financial year	4,528,792	(1,336)	277,433	(33)

	Group and Company			
	As at 31.12.2020			
	No. of ordinary shares		Amount	
Issued share capital	Treasury shares	Share capital	Treasury shares	
'000	'000	\$'000	\$'000	
<b>2020</b>				
Beginning of financial year	4,528,792	(17,566)	277,433	(438)
Treasury shares reissued pursuant to share-based compensation plans	-	8,115	-	202
End of the financial year	4,528,792	(9,451)	277,433	(236)

Ordinary shares (excluding treasury shares) increased by 8,114,900 shares (31 December 2020: 8,114,900), upon transfer of treasury shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan during FY2021, amounting to approximately \$203,000 (31 December 2020: \$202,000).

17. Other reserves

Composition:

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Share-based compensation reserve	235	235	235	235
Currency translation reserve	-	799	-	-
Capital reserve	(3,153)	31	62	31
	(2,918)	1,065	297	266

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

17. Other reserves (continued)

Movement:

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<b>Share-based compensation reserve:</b>				
Beginning of financial year	235	235	235	235
- Treasury shares reissued pursuant to share-based compensation plans	(235)	(235)	(235)	(235)
- Value of employee services	235	235	235	235
End of financial year	235	235	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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<b>Currency translation reserve:</b>				
Beginning of financial year	799	797	-	-
Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary	(799)	2	-	-
End of financial 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<b>Capital reserve:</b>				
Beginning of financial year	31	-	31	-
- Treasury shares reissued pursuant to share-based compensation plans	(a) 32	33	32	33
- Share reissuance expenses	(a) (1)	(2)	(1)	(2)
- Put option granted to non-controlling interest	(b) (3,215)	-	-	-
End of financial year	(3,153)	31	62	31

(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.

**Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021**

---

**17. Other reserves** (continued)

- (b) As part of the acquisition of subsidiaries (Note 18), 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.

**18. Acquisition of subsidiary**

On 1 October 2021, the Group through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd ("HMG"), acquired 51% interest in EBH Capital Pte. Ltd. and its subsidiaries ("EBH Group"), a group of General Practitioner ("GP") clinics for a total consideration of approximately \$3,698,000.

The Group has measured the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of EBH Group as at the date of acquisition are as follows:

Notes to the condensed interim consolidated financial statement  
For the year ended 31 December 2021

---

18. Acquisition of subsidiary (continued)

	Fair value \$'000
Purchase consideration	<u>3,698</u>
Assets and liabilities recognised as a result of the acquisition:	
	Fair value \$'000
<b>Assets</b>	
Property, plant and equipment	1,291
Cash and cash equivalents	337
Trade receivables and other receivables	763
Inventories	191
	<u>2,582</u>
<b>Liabilities</b>	
Trade and other payables	(545)
Lease Liabilities	(1,227)
Tax payable	(11)
	<u>(1,783)</u>
Total identifiable net assets	<u>799</u>
Non-controlling interests (49% of net assets)	(391)
Derivative asset (Note 11)	381
Goodwill arising on acquisition	<u>2,909</u>
Total cash consideration	<u>3,698</u>
Net cash acquired with the subsidiaries	337
Cash paid	<u>(3,698)</u>
Net cash flow on acquisition	<u>(3,361)</u>

The goodwill of \$2,909,000 arising from the acquisition is attributable to the synergies between the businesses and the anticipated economies of scale arising from combining the operations of the Group with those of the GP clinics.

19. Subsequent events

In January 2022, the Group divested 40% of its wholly-owned subsidiary, Healthway Dental Pte. Ltd. The divestment has no material impact on Group's profitability, assets and liabilities.

Other Information Required by Appendix 7C of the Catalist Rules

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

- 1(i) 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	As at 31 December 2021		As at 31 December 2020	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Ordinary shares excluding treasury shares	4,527,456,100	277,399,794	4,519,341,200	277,197,258

Ordinary shares (excluding treasury shares) increased by 8,114,900 shares, amounting to approximately S\$203,000 upon transfer of treasury shares in satisfaction of share awards vested pursuant to the Healthway Medical Performance Share Plan in FY2021.

Convertibles

The Company did not have any outstanding convertibles as at 31 December 2021 (31 December 2020: Nil).

Treasury shares

	Number of shares	Amount S\$
Treasury shares as at 31 December 2020	9,450,900	235,756
Less: Treasury shares reissued pursuant to Share-based compensation plans	(8,114,900)	(202,536)
Balance as at 31 December 2021	<b>1,336,000</b>	<b>235,756</b>

As at 31 December 2021, the number of treasury shares represented 0.03% (31 December 2020: 0.21%) of the total number of issued shares.

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

- 1(ii) To show the 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.

	<b>As at 31.12.2021</b>	<b>As at 31.12.2020</b>
Total number of issued shares excluding treasury shares	<u>4,527,456,100</u>	<u>4,519,341,200</u>

- 1(iii) **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 8,114,900 treasury shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan during FY2021 (FY2020: 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 year reported on.

- 1(iv) **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 year 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 modifications or emphasis of matter).**

Not applicable. The figures for the year ended 31 December 2021 have not been reviewed by the Company's auditors. The audited figures for the financial year ended 31 December 2020 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.**  
Not applicable.

- (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 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

4. **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.**

**Review of performance of the Group**

Condensed interim consolidated statements of comprehensive income

The Group recorded revenue of S\$139.9 million for the year ended 31 December 2021 ("FY2021"), representing an increase of S\$42.5 million or 43.6% as compared with revenue of S\$97.4 million for the year ended 31 December 2020 ("FY2020").

The increase was mainly due to the increase in revenue of S\$37.0 million from the Primary Healthcare Segment and revenue of S\$5.5 million from the Specialist Healthcare Segment.

The increase in revenue of Primary Healthcare Segment was on account of recovery in patient volume as compared to FY2020. This was further complemented by revenue from vaccination, COVID-19 Polymerase Chain Reaction (PCR) and serology testing projects.

The revenue for the Specialist Healthcare Segment increased due to rise in demand compared to FY2020, which was impacted by circuit breaker measures imposed by the Singapore Government during FY2020.

Other income decreased by S\$1.3 million mainly due to lower rental and property tax rebates and various wage credits from the government compared to FY2020, partially offset by fair value gain of S\$0.2 million on the derivative asset. Interest income decreased by S\$0.1 million due to lower interest rates during FY2021.

The increase in operating costs of S\$33.6 million was mainly due to: -

- a) increase in staff cost of S\$23.4 million due to increase in manpower and remuneration for the staff in line with increase in revenue and reduction in grants received under the Jobs Support Scheme compared to FY2020;
- b) increase in medical supplies, consumables and laboratory expenses and other operating expenses by S\$8.3 million and S\$2.7 million respectively in line with the increase in the revenue; partially offset by
- c) decrease in impairment loss on trade and other receivables by \$0.9 million upon reassessment of allowance for expected credit losses of trade and other receivables and improvement in collections.

The income tax credit of S\$0.5 million was recognised after adjusting deferred income tax relating to origination and reversal of temporary differences and recognising some carried forward unused tax losses at 31 December 2021.

As a result of the above, the Group's net profit after income tax for FY2021 was S\$10.7 million as compared to a net profit after income tax of S\$3.2 million in FY2020. The profit attributable to shareholders of the Company was S\$10.8 million, after allocating loss attributable to non-controlling interests of S\$0.1 million.



**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

Condensed interim statements of financial position

Current assets amounted to S\$60.5 million as at 31 December 2021, S\$14.2 million higher than S\$46.3 million as at 31 December 2020. The increase was mainly due to increase in: -

- a) cash balances by S\$6.1 million in line with net cash flow generated from the operating activities;
- b) inventories by S\$0.2 million.
- c) trade receivables by S\$8.0 million in line with increase in revenue;
- d) recognition of derivative asset of \$0.6 million arising from the acquisition of the subsidiaries; partially offset by
- e) decrease in deposits due to a reclassification of deposits from current to non-current by S\$0.2 million in view of their maturity dates;

Non-current assets increased by S\$3.1 million from S\$173.2 million as at 31 December 2020 to S\$176.3 million as at 31 December 2021, mainly due to the following: -

- a) decrease in investment in associates due to net share of loss attributable to the Company;
- b) increase in deferred tax assets by S\$0.8 million arising from adjusting deferred income tax relating to origination and reversal of temporary differences and recognising some unused tax losses at 31 December 2021;
- c) increase in goodwill of S\$2.9 million upon acquisition of subsidiaries;
- d) decrease in property, plant and equipment of S\$0.9 million due to depreciation charged during the financial year; offset by additions in property, plant and equipment inclusive of acquisition of subsidiaries totalling to S\$10.1 million.

Current liabilities amounted to S\$33.6 million as at 31 December 2021, an increase of S\$7.3 million from S\$26.3 million as at 31 December 2020. This was mainly due to the following: -

- a) increase in trade payables and other payables by S\$7.1 million due to increase in procurement for drugs, consumables and other operating expenses, which is in line with the increase in revenue;
- b) increase in tax liabilities of S\$0.6 million for FY21 due to an increase in taxable profits; offset by
- c) decrease in lease liabilities of S\$0.4 million upon payment of lease obligations net of increase in lease liabilities arising from renewal of leases during FY2021 and increase in lease liabilities upon acquisition of subsidiaries.

Non-current liabilities increased by S\$1.8 million mainly due to the following: -

- a) increase in financial liabilities of \$3.3 million on account of other payable to non-controlling interest;
- b) principal repayment of secured borrowings of S\$1.0 million;

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

- c) reversal of deferred tax liabilities of S\$0.3 million relating to reversal of temporary differences.

The Group had a positive working capital of S\$26.8 million as at 31 December 2021, an increase of \$6.8 million as compared to S\$20.0 million as at 31 December 2020.

Condensed interim consolidated statement of cash flows

Net cash flows generated from operating activities for FY2021 amounted to S\$21.7 million as a result of operating cash inflow before changes in working capital of S\$22.3 million, adjusted for net working capital outflow of S\$0.6 million. The net working capital outflow was mainly due to the following: -

- a) increase in trade and other receivables of S\$7.2 million in line with higher revenue recorded in FY2021; partially offset by
- b) increase in trade and other payables in line with higher operating cost.

Cash flow used in investing activities for FY2021 was S\$5.1 million, mainly due to purchase of property, plant, and equipment of S\$1.4 million and intangible assets of S\$0.2 million, payments relating to the acquisition of a General Practitioner clinic in FY2020 of S\$0.3 million and acquisition of subsidiary of S\$3.4 million, net of cash acquired.

Cash flow used in financing activities for FY2021 was S\$10.5 million, mainly due to repayment of secured borrowings of S\$1.0 million, payment of lease liabilities of S\$8.8 million and payment of interest expenses of S\$0.8 million.

As at 31 December 2021, the Group's financial position remained healthy with S\$32.9 million of cash and cash equivalent net of fixed deposits pledged of S\$0.7 million.

**5. 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.

**6. 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.**

Two years after the COVID-19 outbreak, significant progress has been made around the world to inoculate the public against the spread of COVID-19. Almost every nation has now administered vaccines and at least 105 countries and territories have moved on to giving booster jabs<sup>1</sup>. However, the emergence of the Omicron strain in late 2021, a milder but far more contagious variant than Delta<sup>2</sup>, has somewhat disrupted recovery patterns worldwide, triggering a spike in cases in Singapore and around the world.

Singapore's national vaccination programme has made significant headway, with over 90 per cent of the population having completed the full regimen and 64 per cent of the population having received booster shots as of 15 February 2022<sup>3</sup>. As a result of the high vaccination rate

---

<sup>1</sup> Covid Map: Coronavirus Cases, Deaths, Vaccinations By Country. BBC. Accessed Feb 17, 2022.  
<https://www.bbc.com/news/world-51235105>

<sup>2</sup> Ibid.

<sup>3</sup> Covid Vaccination. Ministry of Health, Singapore. Accessed Feb 17, 2022.  
<https://www.moh.gov.sg/covid-19/vaccination>

**Other Information Required by Appendix 7C of the Catalist Rules  
For the financial year ended 31 December 2021**

---

and boosters, Singaporeans can look forward to the further easing of COVID-19 restrictions as the vast majority of infected persons have milder symptoms. This has also led to the opening of more Vaccinated Travel Lanes (VTLs) and easing of border control measures<sup>4</sup> as the Omicron transmission wave peaks and COVID-19 becomes endemic.

Healthway Medical remains committed in supporting nationwide efforts to inoculate our population and keeping the most vulnerable in the community safe. In September 2021, Healthway Medical began administering the first batch of Sinopharm COVID-19 vaccines, acquired through the Ministry of Health Special Access Route, at selected General Practitioner (GP) clinics island wide. This has enabled segments of the population ineligible for mRNA vaccines to get inoculated.

Healthway Medical will continue to offer COVID-19 Polymerase Chain Reaction (PCR), serology and Antigen Rapid Testing (ART) across 51 of its participating Public Health Preparedness Clinics, as regular testing remains essential in minimising the transmission of COVID-19 and managing the pandemic. Healthway also runs two Quick Test Centres (QTC) where the public can take a self-administered ART supervised by an approved COVID-19 test provider.

As Singapore transitions to living with COVID-19, Healthway Medical continues to forge ahead with its plans to expand its footprint of GP clinics and meet the growing needs of the Primary Care sector, which serve as the bedrock of Singapore's healthcare system. In September 2021, Healthway Medical invested in a Primary Healthcare chain operating nine clinics, with the majority of clinics located primarily in key locations in Singapore's commercial business district. With this acquisition, Healthway Medical will become the largest outpatient clinic chain in Singapore. This will position Healthway Medical to provide preventive care solutions and better manage chronic conditions, improving quality of life and reduce the risk of costly downstream complications. This is in line with Government's aim to enable hospitals and the tertiary healthcare system to focus their resources on complex conditions and emergency cases. Healthway Medical is also expanding its repertoire of specialist doctors, from growing its paediatric and orthopaedic specialities to launching new verticals across the full spectrum of adult specialist disciplines. Healthway Medical also successfully completed its internal Group restructuring exercise to sharpen its business focus going forward.

As Singapore continues to adapt to new post-pandemic realities, the Group will remain perceptive, prudent, and ever ready to contribute to the resilience of the nation's healthcare infrastructure, while working hard to unlocking new value for its shareholders.

**7. Dividend information**

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

No dividends have been declared or recommended for the current financial year. Please see Section 8 below.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

Not applicable.

---

<sup>4</sup> *S'pore to simplify Covid-19 rules for gatherings, travel; up to 5 household visitors allowed at any one time per day.* The Straits Times. Accessed Feb 17, 2022. <https://www.straitstimes.com/singapore/health/singapore-to-simplify-covid-19-rules-for-gatherings-travel-and-workplaces-paving-way-for-future-easing>

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

- (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.

- 8. 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 year as the Company intends to conserve cash for future business expansion opportunities.

- 9. 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 year.

- 10. Confirmation Pursuant to Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalyst Rules.

- 11. 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.**

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Abram Melkyzedeck Suhardiman	33	Son-in-law of Mr Stephen Riady, the Non-Executive Non-Independent Director, Deputy CEO and deemed substantial shareholder of the Company	Chief Operating Officer since 2017, appointed and re-elected as Executive Director effective 26 April 2019 and 6 July 2020 respectively, and redesignated as Deputy CEO effective 10 February 2020.  Responsible in overseeing the Group's operation and corporate support functions including finance, legal, marketing, human resources, corporate communications and information technology divisions	N.A.

**12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as per appendix 7C Part II (19) of the Catalyst Rules:**

No dividends were issued in FY2020 and FY2021. Please refer to Section 8

**13. 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.**

Please refer to Section 3.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Section 4 of other information.

**15. A breakdown of sales as per appendix 7C Part II (18) of the Catalyst Rules:**

Please refer to Section 3.

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

**16. 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 10 August 2021, the T2 Net proceeds have been utilised as follows:

**17. Use of Proceeds from Tranche 2 of Convertible Notes (“T2 CN B”) (continued)**

<b>Intended purposes after Regrouping and Change in Use</b>	<b>Amount allocated after Regrouping and Further Re-allocation</b>	<b>Amount utilised as at 25 February 2022</b>	<b>Amount unutilised as at 25 February 2022</b>
	<b>(S\$ million)</b>	<b>(S\$ million)</b>	<b>(S\$ million)</b>
Working capital	39.80	35.86 <sup>(1)</sup>	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
	<b>59.80</b>	<b>45.29</b>	<b>14.51</b>

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.

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

On 1 October 2021, the Group through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd (“HMG”), acquired 51% interest in EBH Group, a group of GP clinics. The Group also disposed of its interest in a subsidiary in China by divesting 100% stake. On 30 December 2021, the Group’s application for voluntary strike off of three dormant subsidiaries was approved by ACRA. The disposal of subsidiary in China and voluntary strike off of three subsidiaries in Singapore have no material impact on the Group’s profitability, assets and liabilities.

**Other Information Required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2021**

---

**BY ORDER OF THE BOARD**

Chew Pei Tsing  
Company Secretary

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](mailto:sponsorship@ppcf.com.sg)