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

Healthway Medical
Empowering Healthier Lives

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020

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.

Consolidated Statement of Profit and Loss account	1H 2020 S$'000	1H 2019 S$'000	Change %
Revenue	45,711	55,333	(17.4)
Other income	5,162	1,067	n.m.
Other gains	-	(5)	n.m.
Expenses by nature			
- Medical supplies, consumables and laboratory expenses	(8,783)	(10,877)	(19.3)
- Staff costs	(32,208)	(36,832)	(12.6)
- Depreciation and amortisation of property, plant and equipment	(5,449)	(5,482)	(0.6)
- Rental expenses	(187)	(67)	n.m.
- Impairment loss on trade and other receivables	(733)	(409)	79.2
Finance costs	(495)	(487)	1.6
Other operating expenses	(3,448)	(3,974)	(13.2)
Share of loss of associate	(114)	-	n.m.
Loss before income tax	(544)	(1,733)	(68.6)
Income tax	-	(21)	n.m.
Loss for the period	(544)	(1,754)	(69.0)
Other comprehensive income, net of tax	1	3	(66.7)
Total comprehensive loss for the period	**(543)**	**(1,751)**	**(69.0)**

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Explanatory notes to the income statement

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

Group	1H 2020 S$'000	1H 2019 S$'000	Change %
Interest income	(99)	(167)	(40.7)
Rental income	(149)	(286)	(47.9)
Interest expense	76	35	117.1
Lease interest expense	419	452	(7.3)
Bad debts written off / (written back) - net	6	(42)	n.m.
Loss on disposal of property, plant and equipment - net	-	9	n.m.
Unrealised currency translation loss - net	-	5	n.m.
Property, plant and equipment written off	11	52	(78.8)

Statement of comprehensive income

	1H 2020 S$'000	1H 2019 S$'000	Change %
Loss for the period	(544)	(1,754)	(69.0)
Currency translation gain arising from consolidation - net	1	3	(66.7)
Total comprehensive loss for the period	(543)	(1,751)	(69.0)

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	
	30.06.2020 S$'000	31.12.2019 S$'000	30.06.2020 S$'000	31.12.2019 S$'000
Current assets				
Cash and bank balances	23,782	24,510	20,484	22,502
Trade and other receivables	13,124	16,650	149	330
Inventories	3,295	3,237	-	-
	40,201	44,397	20,633	22,832
Non-current assets				
Other receivables	2,277	2,617	143	143
Investments in subsidiaries	-	-	216,773	213,287
Investment in an associate	1,854	1,969	1,854	1,969
Property, plant and equipment	24,611	27,069	474	729
Intangible assets	146,533	144,885	550	468
	175,275	176,540	219,794	216,596
Total assets	215,476	220,937	240,427	239,428
Equity				
Share capital	277,433	277,433	277,433	277,433
Treasury shares	(236)	(438)	(236)	(438)
Share-based compensation reserve	-	235	-	235
Capital reserve	31	-	31	-
Currency translation reserve	798	797	-	-
Accumulated losses	(101,498)	(100,954)	(41,536)	(41,297)
Total equity	176,528	177,073	235,692	235,933
Current liabilities				
Trade and other payables	17,120	19,858	4,616	3,013
Current income tax liabilities	29	37	-	-
Lease liabilities	7,372	7,838	61	424
Borrowings	874	973	-	-
	25,395	28,706	4,677	3,437
Non-current liabilities				
Borrowings	1,953	2,403	-	-
Deferred income tax liabilities	1,178	1,178	-	-
Provisions	1,381	1,319	58	58
Lease liabilities	8,609	10,118	-	-
Other payables	432	140	-	-
	13,553	15,158	58	58
Total liabilities	38,948	43,864	4,735	3,495
Total equity and liabilities	215,476	220,937	240,427	239,428

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.

Lease borrowings classified under borrowings of the Group are repayable as follows:

	As at	
	30.06.2020	31.12.2019
	S$'000	S$'000
Amount repayable within one year	874	973
Amount repayable after one year	1,953	2,403

These lease borrowings of the Group are secured by the legal titles of leased property, plant and equipment and corporate guarantee from the Company.

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.

	6 months ended	
	30.06.20 S$'000	**30.06.19 S$'000**
Cash flows from operating activities		
Loss before income tax	(544)	(1,733)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	5,449	5,482
Impairment loss on trade and other receivables	733	409
Property, plant and equipment written off	11	52
Loss on disposal of property, plant and equipment	-	9
Write back of provisions for onerous lease contracts	(5)	(109)
Unrealised currency translation loss - net	-	5
Interest expense	495	487
Interest income	(99)	(167)
Lease interest income	(5)	-
Share of loss of associate	114	-
	6,149	4,435
Changes in working capital:		
Inventories	(58)	(293)
Trade and other receivables	3,133	(1,693)
Trade and other payables	(2,928)	323
Provisions	(30)	(41)
Cash generated from operations	6,266	2,731
Income tax payment	(8)	(75)
Net cash generated from operating activities	**6,258**	**2,656**
Cash flows from investing activities		
Additions to property, plant and equipment	(303)	(3,630)
Additions to intangible assets	(82)	(1,905)
Acquisition of clinics	(1,080)	(300)
Lease interest income	5	-
Interest received	99	167
Net cash used in investing activities	**(1,361)**	**(5,668)**
Cash flows from financing activities		
Repayment of borrowings	-	(86)
Bank balances pledged	(16)	-
(Repayment of) /Proceed from lease borrowings	(549)	1,488
Payment of lease liabilities	(4,582)	(4,584)
Interest paid	(495)	(257)
Net cash used in financing activities	**(5,642)**	**(3,439)**
Net decrease in cash and cash equivalents	**(745)**	**(6,451)**
Cash and cash equivalents		
Beginning of financial year	23,852	32,773
Effect of exchange rate fluctuations on cash held	1	-
End of financial year	**23,108**	**26,322**

Cash and cash equivalents comprised:	As at	
	30.06.20 S$'000	30.06.19 S$'000
Cash and bank balances	23,782	26,930
Fixed deposits & balances pledged as collaterals	(674)	(608)
	23,108	**26,322**

For the first half ended 30 June 2020, the Group acquired property, plant and equipment with an aggregate cost of S$303,000 (2019: S$3,630,000) of which, none were acquired under lease (2019: S$78,000).

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.

	Ordinary shares	Treasury shares	Share-based compensation reserve	Currency translation reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group - Current period							
Balance as at 1 January 2020	**277,433**	**(438)**	**235**	**797**	**-**	**(100,954)**	**177,073**
Loss for the period	-	-	-	-		(544)	(544)
Foreign exchange differences	-	-	-	1		-	1
Total comprehensive loss for the period	**-**	**-**	**-**	**1**		**(544)**	**(543)**
Treasury shares reissued pursuant to Share-based compensation plans	-	202	(235)	-	33	-	-
Share reissuance expenses	-	-	-	-	(2)	-	(2)
Total transactions with owners, recognised directly in equity	-	202	(235)	-	31	-	(2)
Balance as at 30 June 2020	**277,433**	**(236)**	**-**	**798**	**31**	**(101,498)**	**176,528**
Group - Previous period							
Balance as at 31 December 2018	277,433	-	-	748	-	(97,622)	180,559
Adoption of SFRS(I) 16	-	-	-	-		(321)	(321)
Balance as at 1 January 2019	**277,433**	**-**	**-**	**748**	**-**	**(97,943)**	**180,238**
Loss for the period	-	-	-	-		(1,754)	(1,754)
Foreign exchange differences	-	-	-	3		-	3
Total comprehensive loss for the period	**-**	**-**	**-**	**3**		**(1,754)**	**(1,751)**
Balance as at 30 June 2019	**277,433**	**-**	**-**	**751**	**-**	**(99,697)**	**178,487**

	Ordinary shares	Treasury shares	Share-based compensation reserve	Currency translation reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company - Current period							
Balance as at 1 January 2020	**277,433**	**(438)**	**235**	**-**	**-**	**(41,297)**	**235,933**
Loss for the period	-	-	-	-		(239)	(239)
Total comprehensive income for the perio	**-**	**-**	**-**	**-**	**-**	**(239)**	**(239)**
Treasury shares reissued pursuant to Share-based compensation plans	-	202	(235)	-	33	-	-
Share reissuance expenses	-	-	-	-	(2)	-	(2)
Total transactions with owners, recognised directly in equity	-	202	(235)	-	31	-	(2)
Balance as at 30 June 2020	**277,433**	**(236)**	**-**	**-**	**31**	**(41,536)**	**235,692**
Company - Previous period							
Balance as at 31 December 2018	277,433	-	-	-		(41,112)	236,321
Adoption of SFRS(I) 16	-	-	-	-		(32)	(32)
Balance as at 1 January 2019	**277,433**	**-**	**-**	**-**	**-**	**(41,144)**	**236,289**
Profit for the period	-	-	-	-	-	131	131
Balance as at 30 June 2019	**277,433**	**-**	**-**	**-**	**-**	**(41,013)**	**236,420**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 30 June 2020		As at 31 December 2019	
	Number of shares	Amount S$	Number of shares	Amount S$
Ordinary shares excluding treasury shares	4,519,341,200	277,197,258	4,511,226,300	276,994,722

Ordinary shares (excluding treasury shares) increased by 8,114,900 shares, amounting to approximately S$202,536 upon transfer of treasury shares in satisfaction of share awards vested pursuant to the Healthway Medical Performance Share Plan in 1H 2020.

Convertibles

The Company did not have any outstanding convertibles as at 30 June 2020 (31 December 2019: Nil).

Treasury shares

	Number of shares	Amount S$
Treasury shares as at 31 December 2019	17,565,800	438,292
Less: Treasury shares reissued pursuant to Share-based compensation plans	(8,114,900)	(202,536)
Balance as at 30 June 2020	**9,450,900**	**235,756**

As at 30 June 2020, the number of treasury shares represented 0.21% (31 December 2019: 0.39%) of the total number of issued shares.

Subsidiary Holdings

The Company did not have subsidiary holdings as at 30 June 2020 (31 December 2019: Nil).

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 30.06.20	As at 31.12.19
Total number of issued shares excluding treasury shares	4,519,341,200	4,511,226,300

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

During 1H 2020, the Company did not purchase any treasury shares (1H 2019: Nil).

The Company transferred 8,114,900 treasury shares to employees on vesting of share awards granted pursuant to the Healthway Medical Performance Share Plan in 1H 2020 (1H 2019:Nil).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that has material uncertainty relating to going concern.

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2019, as well as all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial year beginning on or after 1 January 2020.

The adoption of those new and revised SFRS(I) has no material effect on the current financial statements for the current financial period.

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 the financial statements for the current period compared to the Group's most recently audited financial statements for the financial year ended 31 December 2019.

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	
	30.06.2020	**30.06.2019**
Basic and diluted loss per ordinary share (Singapore cents) [(a)]	(0.01) [(b)]	(0.04) [(b)]

(a) Basic and diluted loss per share of the Group for the first half ended 30 June 2020 are calculated based on the weighted average number of ordinary shares in issue of 4,515,506,687 (6 months ended 30 June 2019: 4,528,792,100).

(b) The respective basic and diluted loss per share for the Group for the first half ended 30 June 2020 were the same as there were no potentially dilutive ordinary shares as at the end of the respective financial 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 30.06.20	**As at 31.12.19**	**As at 30.06.20**	**As at 31.12.19**
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	3.91	3.93	5.22	5.23

The net asset value per ordinary share of the Group and the Company as at 30 June 2020 were calculated based on the total number of issued shares, excluding treasury shares, of 4,519,341,200 (31 December 2019: 4,511,226,300).

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 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

The COVID-19 outbreak which evolved into a pandemic, disrupted economic activities globally including Singapore. Singapore government introduced circuit breaker measures from 7 April 2020 to curb the community transmission which resulted into drop in mobility. With more people staying home, this has reduced our patient volume for both the Primary Healthcare Segment and Specialist Healthcare Segment in 1H 2020. In addition, there was a mandatory deferment of elective surgeries imposed by the Singapore as part of the circuit breaker measures, which further impacted revenue for the Specialist Healthcare Segment in 1H 2020.

The Group recorded revenue of S$45.7 million for the first half ended 30 June 2020 ("**1H 2020**"), representing a decrease of 17.4% as compared with S$55.3 million for the first half ended 30 June 2019 ("**1H 2019**"). The decrease in revenue was mainly due to the decrease in revenue of S$4.2 million from the Primary Healthcare Segment and S$5.5 million from the Specialist Healthcare Segment for reasons set out above.

Other income in 1H 2020 was S$5.2 million, an increase of S$4.1 million compared to 1H 2019, mainly due to government grants comprising job support scheme, wage credit and property tax rebates as part of the COVID-19 Stimulus Packages announced by the Singapore Government.

Interest income is reduced by S$0.1 million due to deployment of cash in the business and a decrease in the interest rates.

Total operating costs for the Group decreased by S$6.9 million representing a decrease of 12% from S$57.7 million for 1H 2019 to S$50.8 million for 1H 2020. The decrease was mainly attributable to decrease in staff costs of S$4.6 million mainly due to lower business activities arising from the COVID-19 and medical supplies, consumables and laboratory expenses of S$2.1 million offset by increase in rental expenses of S$0.1 million and impairment loss on trade and other receivables of S$0.3 million upon assessment of recoverability of trade and other receivables. Rental expenses in 1H 2020 is increased by S$0.1 million due to short term-leases of less than one year that are not capitalised in 1H 2020.

The share of loss of associate for 1H 2020 was S$0.1 million (1H 2019: Nil). The Group had invested in an associated company as a result of subscription in shares of Fully Holdings Pte Ltd during the third quarter of FY2019.

As a result of the above, the Group's loss before income tax and net loss attributable to shareholders for 1H 2020 was S$0.5 million as compared to a loss before income tax of S$1.7 million and net loss attributable to shareholders of S$1.8 million in 1H 2019.

Financial position

Current assets were S$40.2 million as at 30 June 2020, S$4.2 million lower than S$44.4 million as at 31 December 2019. The decrease was mainly due to (a) decrease in cash and cash equivalents of S$0.7 million, (b) decrease in trade receivables of S$5.0 million which is in line with lower revenue recorded in 1H 2020 compared to 1H 2019, improvement in collections in 1H 2020 and impairment loss on trade and other receivables of S$0.7 million offset by (a) increase in inventories of S$0.1 million and (b) an increase in grant receivable of S$1.6 million announced by the Singapore government to reduce the impact of COVID-19. The grant will be received in 2H 2020.

Non-current assets were S$175.3 million as at 30 June 2020, S$1.2 million lower than S$176.5 million as at 31 December 2019. The movement was mainly due to (a) net decrease in property, plant and equipment of S$2.5 million mainly attributable to depreciation totalling to S$5.4 million; offset by additions of S$2.9 million in relation to property plant and equipment and lease renewals and (b) decrease in other receivables of S$0.3 million offset by increase in intangible assets of S$1.6 million due to provisional goodwill arising from the acquisition of a General Practice Clinic in 1H 2020.

Current liabilities were S$25.4 million as at 30 June 2020, a decrease of S$3.3 million from S$28.7 million as at 31 December 2019, mainly due to (a) reduction in trade payables approximately S$2.4 million due to reduction in procurement activities in line with lower revenue; (b) reduction in net lease liabilities of S$0.5 million comprising of reclassification of lease obligations from non-current liabilities to current liabilities, renewal of leases and lease payments made in 1H 2020; and (c) repayment of current portion of borrowings of S$0.1million.

Non-current liabilities were S$13.6 million as at 30 June 2020, a decrease of S$1.6 million from S$15.2 million as at 31 December 2019 mainly due to (a) repayment of lease borrowing of $$0.4 million (b) net decrease in lease liabilities of S$1.5 million primarily due to a transfer of lease obligations from non-current liabilities to current liabilities, renewal of leases as mentioned above, offset by increase in other payable of S$0.3 million.

The Group recorded a positive working capital of S$14.8 million as at 30 June 2020.

During the 1H 2020, the Company transferred treasury shares in satisfaction of share awards vested pursuant to the Healthway Medical Performance Share Plan. The gain arising from the transfer of treasury share is recognised in the capital reserve, net of any directly attributable transaction costs.

Cash flow statement

As at 30 June 2020, the Group had cash and cash equivalents amounting to S$23.1 million, net of fixed deposits pledged of S$0.7 million.

The cash movements during 1H 2020 can be summarised as follows: -

Cash flow generated from operating activities for 1H 2020 amounted to S$6.3 million as a result of operating cash inflow before changes in working capital of S$6.2 million, adjusted for net working capital inflow of S$0.1 million. The net working capital inflow was mainly due to (a) decrease in trade and other receivables of S$3.1 million in line with lower revenue recorded in 1H2020, impairment loss on trade and other receivables of S$0.7 million and improvement of collections in 1H 2020; offset by (a) decrease in trade and other payables of S$2.9 million and (b) increase in inventories of S$0.1 million.

Cash flow used in investing activities for 1H 2020 was S$1.4 million, mainly due to purchase of property, plant and equipment of S$0.3 million, acquisition of clinics of S$1.1 million.

Cash flow used in financing activities for 1H 2020 was S$5.6 million, mainly due to repayment of lease borrowings of S$0.5 million, payment of lease liabilities of S$4.6 million and payment of interest expenses of S$0.5 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.

More than half a year after the outbreak of the Coronavirus Disease 2019 (COVID-19), the pandemic remains at the forefront of political and economic discussions worldwide. As the situation persists, multiple challenges remain on the road ahead. In the absence of a vaccine or cure for the virus, there are risks of subsequent waves of infections and consequently, countries may reimpose restriction measures to cope with the spread.

In Singapore, the gradual reopening of the country commenced on 18 June 2020, with the announcement of Phase 2 of the Circuit Breaker measures. Phase 2 saw the resumption of various businesses and social activities. Specialist care clinics, which were required to minimise operations to only serve emergency cases during the Circuit Breaker months, were also allowed to reopen for routine patient visits.

As the COVID-19 situation persists, our General Practitioner (GP) clinics continue to play a critical role in working alongside public healthcare providers to support Singapore's healthcare system by serving the primary healthcare needs of Singaporeans through this challenging time.

With the gradual easing of restrictions in Singapore since June, all of Healthway Medical's GP and Specialist clinics have continued to enforce the necessary precautionary measures to ensure the safety of our patients and staff. While GP clinics remained fully operational during the Circuit Breaker months of April and May, we saw a gradual return of patients to our network of Specialist clinics in Phase 2.

Over the past few months, Healthway Medical has taken the opportunity to accelerate our digitalisation journey both for internal processes and for our patients. We rolled out enhanced infrastructures for our backend systems to strengthen our operational efficiency, as well as teleconsultation platforms at our general practice and specialist clinics. The teleconsultation service has been well-received by patients and even as patients return to seek in-clinic consultations, Healthway Medical will continue to broaden and enhance these platforms to cater to the evolving needs of our patients in the future.

Notwithstanding the immediate concerns relating to the COVID-19 pandemic, the long-term outlook for the industry continues to be underpinned by the growing need for healthcare provisions for an aging population and the management of chronic illnesses. The Group remains firmly committed to providing top-quality care for patients across this entire spectrum of healthcare concerns through our network of Primary and Specialist clinics.

As challenges remain on the road ahead, the Group will continue to navigate this challenging time by remaining agile and prudent in the continuous review of our business operations with the goal of delivering sustainable value to our shareholders.

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 and the reason(s) for the decision.

No dividends have been declared or recommended for the current financial period as the Company intends to conserve cash for future business expansion opportunities.

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 Company does not have a general mandate from its shareholders for Interested Person Transactions.

Pursuant to the Catalist Rules, there were no IPTs of S$100,000 or more entered into by the Group during 1H 2020.

14. 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 6 August 2020, the T2 Net proceeds have been utilised as follows:

Intended purposes after Regrouping and Change in Use	**Amount allocated after Regrouping and Further Re-allocation** **(S$ million)**	**Amount utilised as at 6 August 2020** **(S$ million)**	**Amount unutilised as at 6 August 2020** **(S$ million)**
Working capital	39.80	35.86[(1)]	3.94
Acquisition and investment in GP and Specialist clinics and any other business supplementary or complementary to the existing business of the Group	20.00	5.18	14.82
	59.80	**41.04**	**18.76**

Notes:-

(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 which was released on the SGXNet on 2 July 2019.

15. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

Not applicable. There was no incorporation of new entities, acquisition, and realisation of shares in 1H 2020.

16. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Board of Directors (the "**Board**") 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 first half ended 30 June 2020 to be false or misleading in any material aspect.

17. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Raymond Lam
Company Secretary
6 August 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume 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 Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).