



**Healthway
Medical**

Empowering Healthier Lives

ANNUAL
REPORT **2022**

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TABLE OF CONTENTS

CORPORATE PROFILE	02
CHAIRMAN'S STATEMENT	08
BOARD OF DIRECTORS	10
ADVISORY BOARDS	14
SENIOR MANAGEMENT	15
OUR GROUP STRUCTURE	17
GROUP STRUCTURE DEFINITIONS	18
BRAND ARCHITECTURE	19
CORPORATE INFORMATION	20
REPORT OF CORPORATE GOVERNANCE	21
ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION	54
DIRECTORS' STATEMENT	66
INDEPENDENT AUDITOR'S REPORT	70
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	75
BALANCE SHEETS – GROUP AND COMPANY	76
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	77
CONSOLIDATED STATEMENT OF CASH FLOWS	79
NOTES TO THE FINANCIAL STATEMENTS	81
STATISTICS OF SHAREHOLDINGS	139
NOTICE OF ANNUAL GENERAL MEETING	142
PROXY FORM	

CORPORATE PROFILE



Healthway Medical Corporation Limited (“**Healthway Medical**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is a private healthcare provider, with one of the largest networks of clinics and medical centres in Singapore.

The Group began operations in 1990 with one mission - to provide accessible, affordable and quality medical services to our patients. To this day, we remain committed to our mission.

We currently own, operate and manage one hundred and fifteen (115) clinics and medical centres. These facilities are located all over Singapore, including many major private hospitals.

We offer comprehensive medical services including General Practitioner (“**GP**”) and family medicine clinics, health screening, adult specialists, baby & child specialists, dental services and allied healthcare services.

PRIMARY HEALTHCARE DIVISION

Our Primary Healthcare Division is one of the largest private clinic networks in Singapore, comprising Family Medicine, Health Screening, Japanese Medical and Dental services. We have seventy-eight (78) clinics and centres across the island providing outpatient medical services to private patients as well as corporate clientele.



Family Medicine

We provide affordable, quality healthcare at sixty-seven (67) GP clinics across the island, under the Healthway Medical, Silver Cross and The Clinic Group brand names.

In line with the Ministry of Health’s (“**MOH**”) primary focus to keep Singaporeans healthy, Healthway Medical GP clinics participate in government programmes and schemes such as Community Health Assist Scheme (“**CHAS**”), Medisave, MBS@ Gov, Baby Bonus, Public Health Preparedness Clinic (“**PHPC**”) and Primary Care Network (“**PCN**”).

The Group will be enrolling into Healthier SG, an initiative by MOH, to help all Singaporeans take steps towards better health.

Our services include general medical consultations, preventive medicine management of chronic medical conditions, health screening packages, travel health services such as pre-departure COVID-19 swab tests, vaccinations, and pre-employment examinations.

CORPORATE PROFILE



Telemedicine

The Healthway Medical App offers telemedicine services for both family medicine and specialist clinics. Through the integration with our proprietary Clinic Management System, the App provides a fully digitised patient journey to complement our island-wide clinic network.

Patients can enjoy safe and convenient access to telemedicine across a broad spectrum of healthcare services, ranging from primary care such as Healthway Medical and Healthway Japanese Medical GP services to specialist services such as psychology, paediatrics, and gastroenterology.



Health Screening

Healthway Screening Centres offer a comprehensive range of health screening packages tailored to individuals who prioritise quality and convenience.

Besides the two Health Screening Centres at Downtown Gallery and Centrepoint, the Group opened its third Healthway Screening Centre at Capitol Singapore during 2022. At Healthway Screening Centres, our medical professionals offer personalised recommendations and treatments for



patients, helping them to uncover key insights about their current health status and identify any future risks for early intervention.



Dental

We provide a wide range of general and specialist dental services at six (6) dental clinics across the island, under the Healthway Dental and Tooth Stories brand names.

CORPORATE PROFILE



In 2022, we have grown Healthway Dental's brand with the addition of a new brand, Tooth Stories. Tooth Stories strengthen our existing dental clinics, and together they provide high value dental services at competitive prices, enabling greater access to dental care.

Our team of experienced and dedicated dental surgeons and dental specialists provides aesthetic, restorative, surgical and preventative dental services ranging from routine dental check-ups to dental implants, specialised surgical solutions and paediatric dental care.



Japanese Medical

Healthway Japanese Medical consists of an experienced and dedicated team of Japanese doctors, dentists, and medical staff, focused on providing a full range of services such as health screening, vaccinations, and GP services to the Japanese patients in Singapore.

CORPORATE HEALTHCARE MANAGEMENT

Our Corporate Sales team efficiently assists our corporate clients to manage their healthcare benefits and provide wellness programmes by customising our services to their needs and requirements. We also offer corporate health talks, on-site mobile health screenings and vaccination programmes for our corporate clients' ease and convenience.



SPECIALISTS DIVISION

In 2022, the Specialists Division has expanded its service offering through the acquisition of Ten Surgery Group and Ascension Therapy Group, and five (5) new specialists: a Cardiologist, an Ophthalmologist, a Paediatric surgeon, a Psychiatrist and an Endocrinologist, who joined the Group under the Nobel brand.

Through the Nobel, SBCC, Island Orthopaedics, Ten Surgery Group and Ascension Therapy Group brands, the Group aims to bring quality multi-disciplinary medical care that complements its core GP services.

Our panel of medical specialist consultants, with clinical training, advanced education, and experience in a specific area of medicine, adopts a patient-centric approach to provide specialised and holistic healthcare services.

We currently have thirty-eight (38) specialists in eleven (11) disciplines.



Baby & Child

Established in 1980, SBCC Baby & Child Clinic is a paediatric group that provides quality and comprehensive medical services for children in

Singapore.

CORPORATE PROFILE



Our paediatric clinics are easily accessible, located in all major private hospitals and many housing estates.

Our Paediatricians are trained in many sub-specialty areas to serve various baby and child medical needs, such as General Paediatrics, Cardiology, Gastroenterology, Hepatology and Nutrition, Immunology, Asthma, Lung, Sleep and Allergy, and Neonatology.



Women's Health

SBCC Women's Clinic offers a comprehensive range of services including general gynaecology services and obstetrics care, women's screening packages, antenatal and pregnancy packages as well as premarital screening packages. As an obstetrics and gynaecology medical provider, we are dedicated to bringing personalised medical care to meet the healthcare needs of women. Our team of specialists and nurses are qualified to treat women at every stage of life, from pre-puberty to post-menopause.



Orthopaedics

Island Orthopaedics is one of the leading orthopaedic chains in Singapore. Led by a team of senior surgeons with combined expertise across a wide spectrum of orthopaedic and trauma

conditions, we specialise in conditions that involve general orthopaedics, bone and soft tissue tumours, cartilage regeneration, foot and ankle, hip, knee, shoulder and elbow, spine, neck and back, sports medicine, joint replacement, standard and minimally invasive surgery. Our orthopaedic clinics are located in most of the major private hospitals in Singapore.



Heart (Cardiology)

The Nobel Heart Centres located at Mount Elizabeth Novena and Gleneagles Hospital provide a holistic suite of services in cardiovascular disease diagnosis, management, treatment, and prevention.

The Cardiologists are assisted by a team of highly trained staff who perform elective and emergency angiogram, angioplasty, and stent implantation.



Ear, Nose & Throat (Otorhinolaryngology)

Nobel ENT Centre, located at Mount Alvernia Hospital and Gleneagles Medical Centre, treats and manages a full spectrum of common Ear, Nose and Throat, and Head and Neck conditions faced by patients of all ages.

CORPORATE PROFILE



Digestive Health (Gastroenterology and Hepatology)

Nobel Gastroenterology Centre offers diagnostic and therapeutic services to diagnose and treat a wide range of conditions of the oesophagus, stomach, intestines, bowels, liver, pancreas, and biliary systems. We also provide screening, diagnostic and treatment services for all digestive, liver and bowel problems.



Psychiatry

Our Psychiatrists at Nobel Psychological Wellness Centre treat a wide variety of psychiatric and psychological conditions such as depression, insomnia, obsessive-compulsive disorder (“**OCD**”), panic disorder, stress-related disorders, attention deficit hyperactivity disorder (“**ADHD**”) and other conditions.

With the addition of a new Consultant Psychiatrist in 2022, we strive to provide psychiatric care for specific mental health issues related to school and occupational stress, relationship difficulties, infertility, post-partum depression, and gender/sexual orientation concerns.



Ophthalmology

At Nobel Eye and Vision Centre, our Ophthalmologist treats a wide range of eye conditions, including cataract, glaucoma, age related macular degeneration, diabetic retinopathy, myopia, and dry eyes.



Endocrinology & Diabetology

Nobel Diabetes, Thyroid and Endocrine Centre, the most recent specialist division under Healthway Medical Group in 2022 provides individualised care for a wide range of endocrine disorders, including obesity, diabetes, gender dysphoria, hyperlipidaemia, electrolyte disturbances, osteoporosis and many more.



Paediatric Surgery

Our Nobel brand expansion in 2022 includes Nobel Paediatric Surgery Centre. Our Paediatric surgeon specialises in surgical procedures for children, from newborns to teenagers. Using a comprehensive range of procedures and diagnostics, our Paediatric surgeon treats and operates on a variety of conditions such as paediatric abdominal pain, congenital penile issues, and more.

CORPORATE PROFILE



Ten Surgery Group

With the acquisition of Ten Surgery Group in 2022, Healthway Medical now has three General and Colorectal Surgeons providing services from endoscopy and colonoscopy; to minor and major surgical procedures such as laparoscopic and robotic surgery for colon and rectal cancer.

Ascension Therapy Group



Comprising Amazing Speech Therapy, HeadStart for Life and TeleHope Speech Therapy, Ascension Therapy Group was acquired by Healthway Medical in 2022.

Ascension Therapy Group is one of the largest specialised therapy and educational service provider in Singapore.

Ascension Therapy Group provides a vast range of therapy and intervention support for paediatric and adult clients, including Speech Therapy, Occupational Therapy, Educational Therapy, Play Therapy, Early Intervention Programme, School Readiness Programme and Stroke Rehabilitation Programme.

ALLIED HEALTH

Complementing our psychiatrists and specialists are our allied healthcare providers that offer psychology and podiatry services.



Psychology

Our Psychologist at PsychHealth provides services such as counselling, psychotherapy as well as psychological assessments, to help patients manage difficulties, circumstances and challenges, and improve their psychological well-being.



Podiatry

Straits Podiatry diagnoses and treats conditions of the lower limb in patients ranging from children to elderly.

Our Podiatrists treat a wide variety of conditions that include musculoskeletal and biomechanical issues, using non-invasive technologies such as extracorporeal shockwave and electromagnetic transduction therapy, as well as ingrown toenails, warts, fungal toenails, and diabetic foot care.

CHAIRMAN'S STATEMENT



“ The Group continued its strong performance and registered a third consecutive year of profit in FY2022. The Group recorded S\$159.9 million in revenue, representing nearly 15% growth against S\$139.9 million achieved in FY2021. This marks the successful transformation of the Group’s performance and financial health over the last six years ever since FY2017. ”

Dear Valued Shareholders,

While Singapore made major strides to emerge from the COVID-19 pandemic in the past year, macro uncertainties such as global supply chain disruptions continued to linger while new ones such as the Russia-Ukraine war, rising energy prices, intensifying inflationary pressures and a manpower crunch came into play.

Notwithstanding these challenges and disruptions, the Group forged ahead by remaining focused on our purpose of delivering integrated health management to benefit our patients across their different life stages. We continued to remain adaptable in supporting Singapore’s journey to recovery by running Joint Vaccination and Testing Centres to inoculate the population while strengthening our network of primary and specialist clinics to take our continuum of care to the next level, in alignment with the national Healthier SG imperative.

With the experience amassed from serving as the first line of defence against COVID-19, the Group also stands committed and more ready to ensure public health preparedness and take on future pandemic outbreaks to safeguard the health and well-being of the people of Singapore.

Financial Performance

The Group continued its strong performance and registered a third consecutive year of profit in FY2022. The Group recorded S\$159.9 million in revenue, representing nearly 15% growth

CHAIRMAN'S STATEMENT

against S\$139.9 million achieved in the year ended 31 December 2021 (“FY2021”). This marks the successful transformation of the Group’s performance and financial health over the last six years ever since FY2017. The strong growth can be attributed to significant increases in revenue contributions from both the Primary Healthcare and Specialist Healthcare segments.

The Primary Healthcare segment experienced a surge in patient volume since the easing of community and border measures, leading to an overall increase in revenue of more than 15% compared to FY2021. The Specialist Healthcare segment also saw a jump in revenue of more than 10% year-on-year, largely attributable to the return of foreign patients with the easing of cross-border measures, setting up of new clinics and acquisition of new businesses.

The increase in operating costs by S\$14.8 million in 2022 was in accordance with higher revenue growth and mainly attributable to employee costs of S\$10.6 million; costs of medical supplies, consumables and laboratory expenses of S\$0.3 million; depreciation of property, plant and equipment of S\$1.4 million; and other expenses of S\$2.4 million including upkeeping of equipment and utilities.

Overall, the Group’s net profit after income tax was S\$12.3 million for FY2022 as compared to S\$10.7 million for FY2021, representing an increase of 15%. The profit attributable to shareholders of the Company was S\$12.5 million, after allocating loss attributable to non-controlling interests of S\$0.2 million.

Taking the Nation Forward towards Healthier SG

As we move forward further into the post-pandemic era, the Group will accelerate our efforts to support the Healthier SG initiative to reshape our population’s health-seeking behaviours and lifestyles; and to address challenges associated with an ageing population and increasing prevalence of chronic diseases. Announced by MOH in March 2022 and to be rolled out in mid-2023, this national healthcare strategy shifts the emphasis from reactively caring for those who are sick to proactively preventing individuals from falling ill.

A key part of our efforts is the continual expansion of our network of clinics and medical centres island-wide to increase access to affordable and quality healthcare. In the past year, the Group has

added new General Practitioner (“GP”) clinics in Millenia Walk, Marine Terrace and other areas; and expanded our Nobel network with practices in heart, paediatric surgery, psychiatry and more. We also opened a new Health Screening Centre at Capitol Singapore on 16 November 2022 to make quality health screening easily accessible to professionals working in yet another town vicinity. To cater to the increasing demand for pre-elective surgeries, we will also continue to expand and fortify our Specialist segments to provide quality healthcare services across more disciplines.

In addition, the Group is further enhancing its Clinic Management System to support Healthier SG’s objective of introducing a national enrolment exercise for residents to commit to seeing one family doctor throughout their adult lifetime.

Applauding Excellence

I would like to congratulate the nurses, GPs and other colleagues from Healthway Medical who have received the National Awards (COVID-19) in recognition of their outstanding contributions to Singapore’s fight against the virus. Thank you for going above and beyond your call of duty to deliver the best medical care in a time of need. Your contributions are testament to Healthway Medical’s commitment to work in unity and with resilience to help our community emerge stronger from any crisis.

In Appreciation

On behalf of the Board, I would like to express my sincerest appreciation to our dedicated management team and staff for your tireless commitment to excellence. Without your support, we would not be able to deliver the highest calibre of medical care to our patients and pave the way for greater growth.

The Board and Management would also like to extend deepest gratitude to our shareholders for your steadfast support and trust. Thank you for providing perceptive insights and wise counsel that helped the Group to navigate through evolving challenges to achieve continuous growth and success. As we venture into the post-pandemic era, the Group will press forward to contribute to our national healthcare imperative and continuously enhance value for our shareholders.

Mr Sin Boon Ann,
Independent Chairman
Healthway Medical Corporation Limited

BOARD OF DIRECTORS



MR SIN BOON ANN
INDEPENDENT CHAIRMAN

Mr Sin Boon Ann was appointed as an Independent Chairman of the Company on 26 April 2019 and was last re-appointed on 27 April 2022. He is the Chairman of the Remuneration Committee, and a member of the Audit and Risk Committee and the Nominating Committee.

Mr Sin holds a Bachelor of Arts and a Bachelor of Laws (Honours) from the National University of Singapore in 1982 and 1986 respectively, and a Master of Laws from the University of London in 1988. He was admitted to the Singapore Bar in 1987, and was a member of the teaching staff of the law faculty in National University of Singapore from 1987 to 1992 prior to his career with Drew & Napier LLC.

Currently, Mr Sin is a Consultant with Drew & Napier LLC. He joined Drew & Napier LLC in 1992, with focus on corporate finance and mergers & acquisitions. He was the Deputy Managing Director of the Corporate & Finance Department and the

Co-head of the Capital Markets Practice in Drew & Napier LLC before he retired in March 2018.

Mr Sin is recognized in industry publications as an industry leader and for his expertise in capital markets. He was a Member of Parliament for Tampines Group Representation Constituency (GRC) from 1996 to 2011.

Mr Sin was conferred the Singapore National Day Award – “The Public Service Star (Bintang Bakti Masyarakat)” in 2018 and “The Public Service Medal (Pingat Bakti Masyarakat)” in 2013 by the President of Singapore and received the NTUC May Day Award – “Distinguished Service Award” in 2018, “Meritorious Service Award” in 2013 and “Friends of Labour Award” in 2003 for his invaluable contributions and commitment to the labour movement in Singapore.



MR ABRAM MELKYZEDECK SUHARDIMAN
EXECUTIVE VICE CHAIRMAN

Mr Abram Melkyzedek Suhardiman was appointed as the Executive Director of the Company on 26 April 2019 and was re-designated from Chief Operating Officer to Deputy Chief Executive Officer (“**Deputy CEO**”) of the Company and its subsidiaries (the “**Group**”) on 10 February 2020. Mr Suhardiman was re-designated to the position of Executive Vice Chairman on 9 March 2023. He was last re-appointed on 27 April 2022 as an Executive Director of the Company.

Prior to joining Healthway Medical Corporation Limited, Mr Suhardiman served as the Vice President at Nuvest Capital, Singapore. He has also worked at The Abraaj Group and Citibank where he was part of the investment team in Southeast Asia. Mr Suhardiman holds a Bachelor of Science in Business Administration from the University of Southern California, Los Angeles, United States of America and a Masters in Finance from Hult International Business School, San Francisco, United States of America.

BOARD OF DIRECTORS

**DR STEPHEN RIADY**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr Stephen Riady was appointed as a Non-Independent Non-Executive Director of the Company on 16 August 2017 and was re-appointed on 26 April 2021. He is a deemed controlling shareholder of the Company. Details of his deemed shareholdings can be found on pages 67 and 139 to 141 of the Annual Report.

Dr Riady was appointed as Executive Chairman of OUE Limited on 9 March 2010. He has been serving as Executive Director of OUE Limited since 30 November 2006, and as its Group Chief Executive Officer (in an expansion of his role as Executive Chairman) from 1 January 2020. OUE Limited is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Dr Riady is also an Executive Director of Lippo Limited and has been its Chairman since 1991. He was appointed as a Director of Lippo China Resources Limited and Hongkong Chinese Limited in 1992 and in March 2011 respectively, and was appointed as Chairman of both companies in 2011. Dr Riady is currently the Executive President of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, all of which are listed on the Main Board of The Stock Exchange of Hong Kong. Dr Riady is also a member of the Remuneration Committee and Nomination Committee of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited respectively.

His service to society includes civic engagements such as founding honorary advisor of the University of Hong Kong Foundation for Education Development and Research, member of the Boards of Trustees of Volunteer Service Trust and The Better Hong Kong Foundation, member of the Advisory Council of One Country, Two Systems Research Institute, fellow of the Duke of Edinburgh's Award World Fellowship and member of the Advisory Board of Sloan School of Management of the Massachusetts Institute of

Technology, United States of America. Dr Riady also holds the positions of Trustee of the Global Board of Trustees of Asia Society; Executive Vice President, China Federation of Overseas Chinese Entrepreneurs; and Permanent Honorary Chairman, Singapore Research Centre of Institute for Global Development of Tsinghua University.

In public service, Dr Riady was a Hong Kong Affairs Advisor from April 1995 to June 1997, appointed by the Hong Kong and Macao Office of the State Council and Xinhua News Agency, Hong Kong Branch of the People's Republic of China ("**PRC**"). In addition, he is a member of the Committee to Promote Economic Co-operation between Fujian and Hong Kong, a committee established by the Provincial Government of Fujian, PRC.

Among his accolades are the Chevalier de L'Ordre des Arts et des Lettres awarded by the French government, and the Strategic Investment Entrepreneur of the Year in Ernst & Young's annual Entrepreneur of the Year Awards Singapore 2007. Dr Riady was awarded the 2018 EY Asean Entrepreneurial Excellence Award, an award which recognises successful Southeast Asia businesses that contribute to the economy and community in the region. He is an Honorary Citizen of Shenzhen, PRC.

Dr Riady holds a Bachelor of Science, Business Administration from the University of Southern California, United States of America and a Master of Business Administration from Golden Gate University, United States of America. He was conferred an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, United Kingdom, and is one of the first Honorary University Fellows installed by the Hong Kong Baptist University.

BOARD OF DIRECTORS

**MR ANAND KUMAR**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Anand Kumar was appointed as a Non-Independent Non-Executive Director of the Company on 24 March 2017 and was last re-appointed on 26 April 2021. He is the Co-Founder and Partner of Gateway Partners, an investment firm focused on growth capital and strategic opportunities across markets in Southeast Asia, South Asia, the Middle East and Africa.

Mr Kumar has over 30 years of experience in Investments, Mergers & Acquisitions, Equity Capital Markets and Leveraged Finance in Southeast Asia with a strong network of relationships in the region. Prior to co-founding Gateway Partners in 2014, Mr Kumar held leadership positions in several leading investment banks including Standard Chartered Bank and Morgan Stanley.

He is a Non-Executive Director of TVS Supply Chain Solutions Limited (India) and Land Registration System Inc (Philippines); Nominee Director of Medall Healthcare Private Limited; member of the Board of Commissioners of PT Lippo Karawaci Tbk (Indonesia) and PT Lippo Cikarang Tbk (Indonesia); as well as an Independent Director of Tube Investments of India Limited and Cholamandalam Investment and Finance Company Limited.

Mr Kumar holds a Master of Business Administration degree from Vanderbilt University, United States of America.

**DR KHOR CHIN KEE**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr Khor Chin Kee was appointed as a Non-Independent Non-Executive Director of the Company on 1 July 2022. He is also a Medical Consultant/Advisor to FWD Singapore since 1 June 2018 where he advises on medical related insurance matters.

As Co-founding Partner of Healthway Medical Corporation Limited in 1990, Dr Khor went on to hold the role of CEO in United Vision Holdings Pte

Ltd, AsiaMedic Ltd and Parkway Shenton, before returning to Healthway Medical Corporation Limited to serve as Senior Medical Advisor and subsequently as CEO from 1 June 2018 until his retirement as CEO and appointment as a Non-Independent Non-Executive Director of the Company on 1 July 2022.

Dr Khor holds a Bachelor of Medicine and a Bachelor of Surgery from the National University of Singapore.

BOARD OF DIRECTORS



MR CHEN YEOW SIN
LEAD INDEPENDENT DIRECTOR

Mr Chen Yeow Sin was appointed as Lead Independent Director of the Company on 21 July 2017 and was last re-appointed on 6 July 2020. He is the Chairman of the Audit and Risk Committee and the Nominating Committee and a member of the Remuneration Committee.

Mr Chen is the Managing Director of One Partnership, a public accounting corporation that provides audit, tax and business advisory services, where he oversees the firm's operation, risk management and growth strategy. In addition to that, he also heads its Risk Advisory division, providing internal audit and enterprise risk management services to listed

companies with operations in both Singapore and the Asian region. Mr Chen started his accountancy and audit training with a firm of chartered accountant in London. Upon his qualification as a chartered accountant, he worked in 2 of the Big Four accounting firms in Singapore before joining a US Fortune 500 energy and resource company as its South East Asia regional internal audit manager where he was responsible for risks management, internal controls and conflict of interest investigation.

Mr Chen holds a Bachelor of Science (Honours) degree from University of London and is a Fellow Singapore Chartered Accountant as well as a Fellow Chartered Accountants in England and Wales.



MS ALIZA KNOX
INDEPENDENT DIRECTOR

Ms Aliza Knox was appointed as an Independent Director of the Company on 6 November 2020 and was last re-appointed on 26 April 2021. She is also an Independent Director of Tyro Payments Limited and a senior advisor to the Boston Consulting Group. She previously served on the boards of several listed companies including Singapore Post Limited, Scentre Group (Westfield), Australia and Grant Thornton International, United Kingdom, and as an Independent Director and a Technology Advisor to the Technology Subcommittee of the Board of ANZ Bank, Australia.

Ms Knox was the Head of Asia Pacific ("**APAC**") of Cloudflare, Pte. Ltd., and was the Vice President of APAC for Twitter Asia Pacific Pte. Ltd., prior to that, having joined the digital enterprise after building a significant business for Google in APAC.

Ms Knox was named the IT Woman of the Year (APAC) 2020, AWA Singapore International Business Woman of the Year in 2015, elected as Chief Executive Women (Australia) in 2016, and featured in the 2018 book, "Women on Board – Making a Real Difference". She led SWAT (Super Women at Twitter) and did the same for Women@

Google. She has served on two key committees for the Singapore Government, namely, she was appointed by the Ministry of Education, Singapore, to the Committee to review University Education Pathways Beyond 2030 as well as appointed by the Singapore Government Committee to review the Future of Work, Play, Live, which was linked to its #SmartNation initiative. Ms Knox is also a contributing columnist at Forbes.

Ms Knox has significant financial services and international experience. Her prior roles included Senior Vice-President ("**SVP**"), Commercial Solutions, Visa International; SVP, International, Charles Schwab; and Partner and Head of Financial Services at Boston Consulting Group in Sydney and Singapore.

Ms Knox graduated magna cum laude, Phi Beta Kappa with a Bachelor of Arts in Applied Math and Economics from Brown University, United States of America, and holds a Master of Business Administration with Distinction in Marketing from The New York University Leonard N. Stern School of Business, United States of America.

ADVISORY BOARDS



MR TAN CHUAN-JIN

Mr Tan Chuan-Jin serves as Chairman of the Advisory Board of Healthway Medical Corporation Limited. Mr Tan is the current Speaker of the Parliament of Singapore, and a Member of Parliament in Marine Parade GRC (Kembangan-Chai Chee). Before joining politics, Mr Tan served in the Singapore Armed Forces (“SAF”) for nearly 24 years. He served as the Minister for Manpower and following that, Minister for Social and Family Development, before moving on to his current role as Speaker of Parliament.

Mr Tan was awarded a SAF Overseas Scholarship to study in the United Kingdom, where he completed a Bachelor of Science in Economics at the London School of Economics and a Master of Arts degree in Defence Studies at King’s College London. He also

completed a Master’s in Public Management degree at the National University of Singapore’s Lee Kuan Yew School of Public Policy.

Mr Tan oversees SG Cares, the national movement that works towards building a more caring society. He is concurrently the Adviser to the National Council of Social Service and National Volunteer & Philanthropy Centre. He is also the Patron of the Centre for Fathering, Club Rainbow (Singapore), and SHINE Children & Youth Services. Mr Tan is the President of the Singapore National Olympic Council, Deputy Chairman of Mandai Wildlife Group and Chairman of Lee Kong Chian Natural History Museum Advisory Committee. He is also a Member of the Climate Governance Singapore Advisory Board.



DR LILY NEO

Dr Lily Neo is a member of the Advisory Board of Healthway Medical Corporation Limited. Dr Neo is an accomplished medical practitioner with more than

35 years of experience. Dr Neo also served as a Member of Parliament from 1997 up until her retirement at the 2020 General Election.



PROFESSOR BERNARD YEUNG

Professor Bernard Yeung serves on the Advisory Board of Healthway Medical Corporation Limited. Professor Yeung is Stephen Riady Distinguished Professor in Finance and Strategic Management at the National University of Singapore (“NUS”) Business School. He is also the President of the Asian Bureau of Finance and Economic Research. He served as the Dean of the NUS Business School from 2008 to 2019. He also serves as Independent Non-Executive Director of BOC Aviation Limited since 2016. Before joining NUS in June 2008, he was the Abraham Krasnoff Professor in Global Business, Economics, and Management at New York University (“NYU”) Stern School of Business.

Professor Yeung has published widely in academic journals covering topics in Finance, Economics, and Strategy; his writing also appears in top-tier media publications such as The Financial Times, Economist, The Wall Street Journal, Straits Times and The People’s Daily.

Professor Yeung received his Bachelor of Arts in Economics and Mathematics from the University of Western Ontario and his MBA and PhD degrees from the Graduate School of Business at the University of Chicago.

SENIOR MANAGEMENT



MR ABRAM MELKYZEDECK SUHARDIMAN
EXECUTIVE VICE CHAIRMAN

Mr Abram Melkyzedek Suhardiman was re-designated as the Executive Vice Chairman of Healthway Medical Corporation Limited on 9 March 2023 from his prior position as the Executive Director of Healthway Medical Corporation Limited and Deputy CEO of the Group.

Mr Suhardiman is responsible for the Group's overall growth strategy and corporate development through partnerships and investments.

Prior to joining Healthway Medical Corporation Limited, Mr Suhardiman served as Vice President at Nuvest Capital, Singapore. He has also worked at The Abraaj Group and Citibank where he was part of the investment team in Southeast Asia.

Mr Suhardiman holds a Bachelor of Science in Business Administration from University of Southern California, Los Angeles and Masters in Finance from Hult International Business School, San Francisco.



MR STEPHENS LO
CHIEF EXECUTIVE OFFICER

Mr Stephens Lo is the Chief Executive Officer ("CEO") of Healthway Medical Corporation Limited. Mr Lo is responsible for leading the organisation's growth strategy and overseeing the Group's operations.

Most recently, Mr Lo was Chief Strategy Officer at Smarter Health Pte Ltd, a health-tech start up in Singapore. Prior to that, Mr Lo spent 13 years at IHH Healthcare Group where he served as Chief Executive Officer and Chief Operating Officer at their

flagship hospitals in Singapore; Mount Elizabeth Hospital, Mount Elizabeth Novena Hospitals and Gleneagles Hospital. Mr Lo also spent 3 years in Vietnam where he was Chief Executive Officer of City International Hospital in Ho Chi Minh City.

Mr Lo holds a Bachelor's in Economics and Accounting from the University of Bristol, United Kingdom and a Masters in Accounting and Finance from London School of Economics, United Kingdom.



MR SACHIN SHETH
CHIEF FINANCIAL OFFICER

Mr Sachin Sheth is the Chief Financial Officer of Healthway Medical Corporation Limited. Besides assisting the CEO on strategic initiatives and Mergers & Acquisitions ("M&A"), Mr Sheth is responsible for overseeing the Group's overall finance, compliance, corporate governance, accounting, legal, corporate secretarial and taxation functions.

Prior to joining Healthway Medical Corporation Limited, Mr Sheth worked at Adcorp Holdings (Singapore) Pte Limited as Chief Financial Officer for Adcorp Group's international business across

Australia, Singapore and the rest of Africa. He has more than 25 years of cross-border international experience in the field of finance, banking, M&A, accounting, auditing and taxation and has held several senior roles with local and international companies covering Asia-Pacific, Africa and the European region.

Mr Sheth holds a Chartered Accountant qualification from the Institute of Chartered Accountants of India and a Bachelor of Commerce from Gujarat University, India.

SENIOR MANAGEMENT



MR ONG HON YUH
CHIEF OPERATING OFFICER

Mr Ong Hon Yuh is the Chief Operating Officer of Healthway Medical Corporation Limited with effect from 9 March 2023. Mr Ong has had more than 10 years of experience in healthcare and has led corporate functions and clinical units spanning strategy, planning and operations functions. Prior to joining Healthway Medical Corporation Limited, Mr Ong served as the Vice President at IHH Healthcare. He was most recently the Director of Operations at Parkway Laboratory Services after serving as Assistant Vice President (“**AVP**”) at Gleneagles Hospital while concurrently holding the post of AVP, Corporate Planning for IHH Singapore.

Before joining private healthcare, Mr Ong was with National University Health System and National University Hospital where he served as the head of various departments in Corporate Planning, Strategic Planning Office and at the National University Cancer Institute Singapore. Prior to healthcare, Mr Ong worked at OCBC and Standard Chartered Bank after he ended active service with the Singapore Armed Forces.

Mr Ong holds a Bachelor’s in Economics from London School of Economics and Masters in Finance from Imperial College on a Singapore Armed Forces scholarship. He completed the Stanford Executive Programme at the Stanford University Graduate School of Business in 2022.



MR LOUIS POEY
VICE PRESIDENT, PROJECTS AND QUALITY ASSURANCE

Mr Louis Poey is the Vice President, Projects and Quality Assurance at Healthway Medical Corporation Limited.

In 2021, the Operations Division grew to cater to the increase in demand for COVID-19 related healthcare services. A new and distinctly hyper-focused subsegment of the Operations Division was created to manage large scale government-related projects to optimize operational efficiency.

Mr Poey, who once helmed the Primary Care Division, took on a critical role in ensuring smooth operations of government-related projects.

In addition, he also oversees the various aspects of Central Procurement, Support Services and Quality Assurance in the Company.

With more than 25 years of experience in the healthcare and service industry, Mr Poey has also managed large scale national events in collaboration with the Ministry of Health, deployed doctors and nurses during the Inaugural Singapore Youth Olympic Games and the 28th SEA Games in 2010 and 2015 respectively.

Mr Poey obtained his Master of Business Administration from University of Leicester, United Kingdom.



MR JORDAN ISAC
VICE PRESIDENT, COMMUNICATIONS AND DOCTOR ENGAGEMENT

Mr Jordan Isac is the Vice President, Communications and Doctor Engagement at Healthway Medical Corporation Limited.

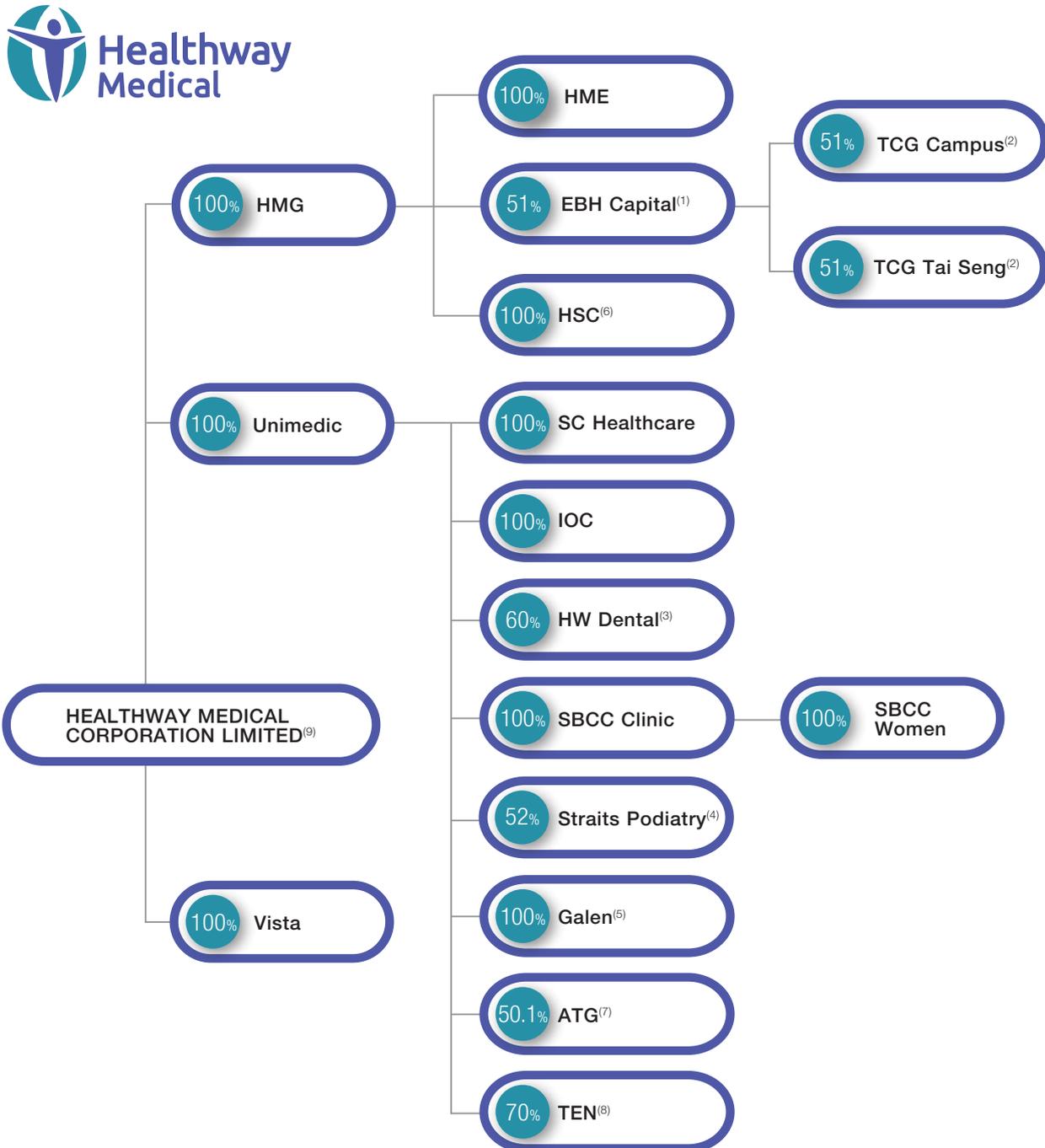
He is also part of the Chairman’s Office, OUE Limited, where he has been involved in various real estate development projects, including OUE Twin Peaks, OUE Downtown and US Bank Tower. Prior to

this, Mr Isac served in the Ministry of Foreign Affairs, Singapore, where he covered political developments in the ASEAN and South Asia Directorates.

Mr Isac holds a double bachelor’s degree from the University of Melbourne, Master in Political Science from the University of Oxford and an Executive Master of Business Administration from Peking University and University of Pelita Harapan.

OUR GROUP STRUCTURE

As at 31 December 2022 (unless otherwise stated)



⁽¹⁾ EBH also holds interests in 7 other subsidiaries. Details can be found on pages 107 to 110 of the Annual Report.

⁽²⁾ HMG has direct and indirect interest of 51% in TCG Tai Seng and TCG Campus. Details can be found on pages 107 to 110 of the Annual Report.

⁽³⁾ Following the divestment on 1 January 2022, Unimedic has a direct interest of 60% in HW Dental. Details can be found on pages 107 to 110 of the Annual Report.

⁽⁴⁾ Straits Podiatry was incorporated by Unimedic on 2 March 2022. Following the divestment on 25 April 2022, Unimedic has a direct interest of 52% in Straits Podiatry. Details can be found on pages 107 to 110 of the Annual Report.

⁽⁵⁾ Galen was incorporated by Unimedic on 24 November 2022.

⁽⁶⁾ HSC was incorporated by HMG on 16 February 2023.

⁽⁷⁾ On 1 September 2022, Unimedic acquired 50.1% direct interest in ATG. ATG also holds interests in 5 other subsidiaries. Details can be found on pages 107 to 110 of the Annual Report.

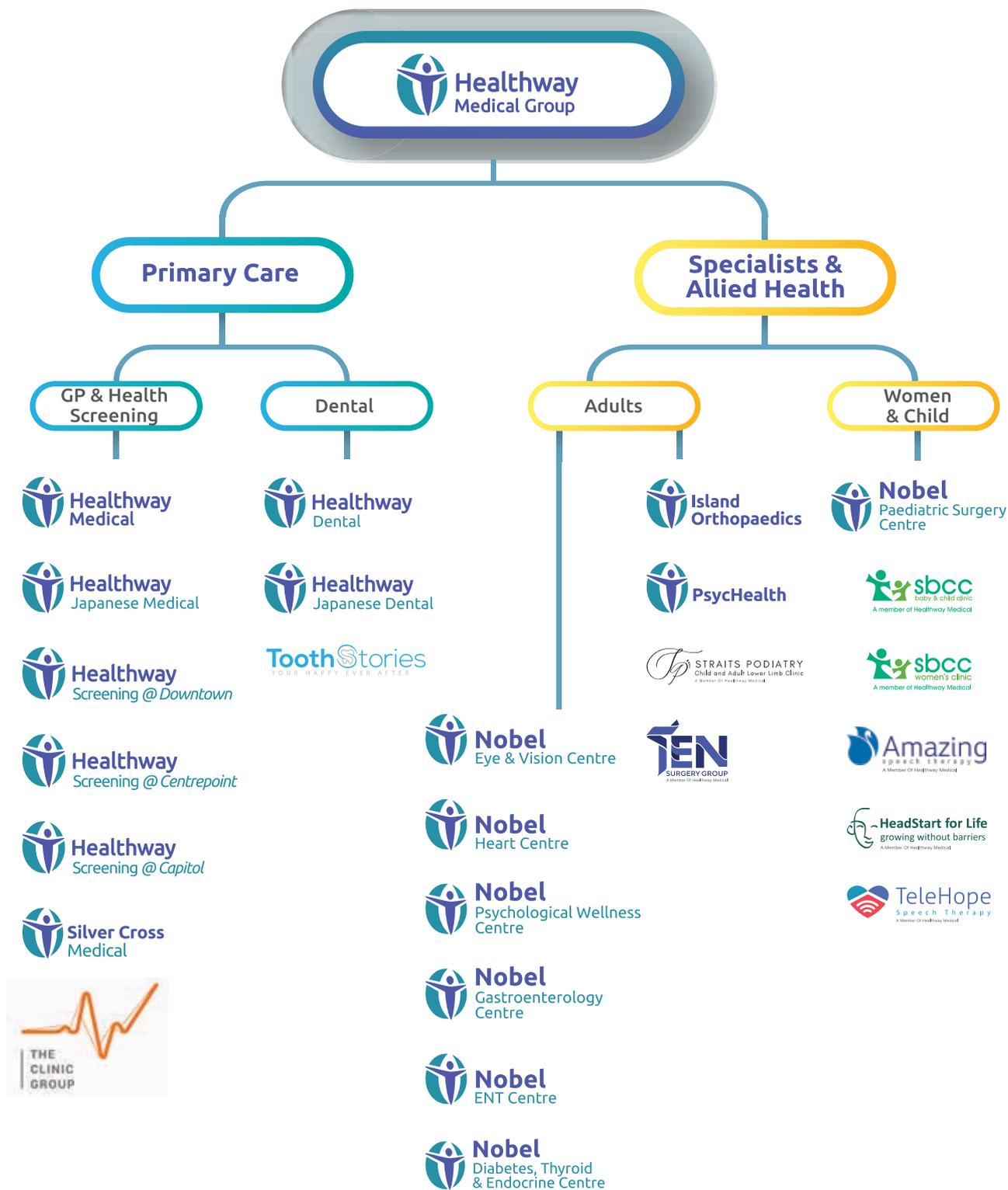
⁽⁸⁾ On 1 September 2022, Unimedic acquired 70% direct interest in TEN.

⁽⁹⁾ The Company has a direct interest of 14.77% in an associate, Mednefits Holdings Pte. Ltd., which is excluded from the group structure above.

GROUP STRUCTURE DEFINITIONS

“HMG”	:	Healthway Medical Group Pte Ltd
“HME”	:	Healthway Medical Enterprises Pte Ltd
“EBH”	:	EBH Capital Pte. Ltd.
“TCG Campus”	:	The Clinic @ Campus Pte. Ltd.
“TCG Tai Seng”	:	The Clinic @ Tai Seng Pte. Ltd.
“HSC”	:	HSC Health Pte. Ltd.
“Unimedic”	:	Unimedic Pte. Ltd.
“SC Healthcare”	:	Silver Cross Healthcare Pte Ltd
“IOC”	:	Island Orthopaedic Consultants Pte Ltd
“HW Dental”	:	Healthway Dental Pte. Ltd.
“SBCC Clinic”	:	SBCC Clinic Pte Ltd
“SBCC Women”	:	SBCC Women’s Clinic Pte. Ltd.
“Straits Podiatry”	:	Straits Podiatry Pte. Ltd.
“Galen”	:	Galen Health Pte. Ltd.
“ATG”	:	Ascension Therapy Grp Pte. Ltd.
“TEN”	:	Ten Surgery Group Pte. Ltd.
“Vista”	:	Vista Medicare Pte. Ltd.

BRAND ARCHITECTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

SIN BOON ANN (*Independent Chairman*)
ABRAM MELKYZEDECK SUHARDIMAN (*Executive Vice Chairman*)
DR STEPHEN RIADY (*Non-Independent Non-Executive Director*)
ANAND KUMAR (*Non-Independent Non-Executive Director*)
DR KHOR CHIN KEE (*Non-Independent Non-Executive Director*)
CHEN YEOW SIN (*Lead Independent Director*)
ALIZA KNOX (*Independent Director*)

AUDIT AND RISK COMMITTEE

CHEN YEOW SIN, *Chairman*
SIN BOON ANN, *Member*
ALIZA KNOX, *Member*

NOMINATING COMMITTEE

CHEN YEOW SIN, *Chairman*
SIN BOON ANN, *Member*
ALIZA KNOX, *Member*

REMUNERATION COMMITTEE

SIN BOON ANN, *Chairman*
CHEN YEOW SIN, *Member*
ALIZA KNOX, *Member*

COMPANY SECRETARIES

CHEN CHUANJIAN, JASON
CHEW PEI TSING

SPONSOR

PRIMEPARTNERS CORPORATE
 FINANCE PTE. LTD.
 16 Collyer Quay
 #10-00 Collyer Quay Centre
 Singapore 049318

SHARE REGISTRAR

BOARDROOM CORPORATE &
 ADVISORY SERVICES PTE. LTD.
 1 Harbourfront Avenue
 #14-07 Keppel Bay Tower
 Singapore 098632
 Telephone: (65) 6536 5355

REGISTERED OFFICE

6 Shenton Way
 #10-09 OUE Downtown 2
 Singapore 068809
 Telephone: (65) 6323 4415
 Facsimile: (65) 6235 0809
 Website: www.healthwaymedical.com

AUDITORS

ERNST & YOUNG LLP
 PUBLIC ACCOUNTANTS AND
 CHARTERED ACCOUNTANTS
 1 Raffles Quay
 #18-01
 Singapore 048583
 Partner-in-charge: Philip Ng
 (effective from the financial year ended
 31 December 2020)

PRINCIPAL BANKERS

DBS BANK LTD.
 12 Marina Boulevard
 Marina Bay Financial Centre Tower 3
 Singapore 018982

UNITED OVERSEAS BANK LIMITED
 80 Raffles Place
 UOB Plaza 1
 Singapore 048624

STANDARD CHARTERED BANK
 8 Marina Boulevard
 Marina Bay Financial Centre Tower 1
 Singapore 018981

THE HONGKONG AND
 SHANGHAI BANKING CORPORATION LIMITED
 10 Marina Boulevard
 Marina Bay Financial Centre Tower 2
 Singapore 018983

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the “**Board**” or the “**Directors**”) of Healthway Medical Corporation Limited (“**HMC**” or the “**Company**”) and together with its subsidiaries (collectively, the “**Group**”) recognises the importance of corporate governance and the offering of high standards of accountability to all shareholders (the “**Shareholders**”). The Board is committed to maintaining a high standard of corporate governance to promote corporate transparency and enhance the long-term value of the Group to its Shareholders and stakeholders in line with the good practices recommended by the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance issued by the Monetary Authority of Singapore on 6 August 2018.

This report describes the corporate governance structure and practices adopted by the Company with reference to the principles and provisions under the Code which form part of the continuing obligations under the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”). Our corporate governance principles reflect the Board’s focus on strong leadership, effective internal controls and risk management, a robust corporate culture, accountability to Shareholders and engagement with stakeholders. For the financial year ended 31 December 2022 (“**FY2022**”), we are pleased to inform that the Company has complied with the core principles of corporate governance, and in all material respects, with the provisions of the Code and the Catalist Rules, where appropriate. Where the Company’s practices vary from the provisions of the Code and accompanying Practice Guidance, specific disclosures and appropriate explanations are provided.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Company is headed by an effective Board comprising the following members:

Mr Sin Boon Ann	Independent Chairman
Mr Abram Melkyzedeck Suhardiman	Executive Vice Chairman
Dr Stephen Riady	Non-Independent Non-Executive Director
Mr Anand Kumar	Non-Independent Non-Executive Director
Dr Khor Chin Kee	Non-Independent Non-Executive Director
Mr Chen Yeow Sin	Lead Independent Director
Ms Aliza Knox	Independent Director

Provision 1.1 – Principal Duties of the Board

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. It provides entrepreneur leadership and sets goals, reviews and advises on overall strategies and directions, oversees the effectiveness of the management of the Company (“**Management**”) and assumes responsibilities for overall corporate governance of the Group to ensure the Group’s strategies are in the best interests of the Company and its Shareholders.

Each Director acts in good faith and in the best interests of the Company. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. They contribute their own expertise, skills, knowledge and experiences to the Board for the benefit of the Shareholders.

REPORT OF **CORPORATE GOVERNANCE**

Conflict of Interest

All Directors of the Company are expected to be cognisant of their statutory duties, and to discharge them objectively in the interests of the Company. Where there are circumstances of conflict of interest/possible conflict of interest on any transaction/proposed transaction with the Company/the Group, the Director(s) involved is required to disclose details and nature of his/her interests in a timely manner and recuse from participating in the meetings, discussions, and decisions on the matter at all levels within the Group including, but not limited to, the Company's subsidiaries and any committees and sub-committees, if any, that are involved in the proposed transaction in which the Director has an interest or in respect of which the Director is conflicted. Such compliance will be recorded in the minutes of meeting and/or directors' resolutions in writing from time to time, when applicable.

Provision 1.2 – Continuous Training and Development of Directors

Newly appointed Directors undergo an orientation program with materials provided to familiarise them with the business and organisation structure of the Group. Any newly appointed Director who has no prior experience as a director of a Singapore-listed company is required to attend the relevant prescribed training on the roles and responsibilities as a director of a listed company in Singapore, conducted by the Singapore Institute of Directors ("**SID**"), unless the Nominating Committee is of the view that training is not required because he/she has other relevant experience, in which case the basis of its assessment will be disclosed.

To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with members of the Management. This allows the incoming Directors to get better acquainted with the nature and working of the Group's business as well as to familiarise them with the members of the Management.

The Company recognises the importance of ongoing professional development for the Board members. Depending on each Director's background and development needs, the Directors are provided with opportunities to develop and maintain their skills and knowledge, particularly on applicable new laws, regulations, as well as trainings in areas such as accounting, legal and industry-specific knowledge, as appropriate, at the Company's expense. Directors are encouraged to attend training courses organised by the SID or other training institutions in connection with their duties as Directors on an on-going basis, at the Company's expense. If required, briefings by external consultants or counsels are also organised for the Board.

As part of the Company's efforts to provide the Directors with opportunities to continuously develop and maintain their skills and knowledge, the Company had signed up for a corporate membership with the SID, which provides a one-stop corporate governance resources centre for Directors to receive further relevant knowledge and personal development. As part of the continuous development, the Company has set aside a dedicated Directors' training fund for the purpose of training and professional development programme for the Directors.

During the financial year, the development/training programmes, courses and seminars attended by some of the Directors included, amongst others, the following:

- Listed Entity Director Programme – Environmental, Social and Governance Essentials Core Module conducted by the SID
- Training on Cayman Islands Anti-Money Laundering/Know Your Client conducted by Walkers Global
- Cyber Security Training by ST Engineering e-Services Pte. Ltd.
- Private Equity & Venture Forum organised by Asian Venture Capital Journal
- Training on Anti-Money Laundering/Combating the Financing of Terrorism conducted by ComplianceAsia

REPORT OF **CORPORATE GOVERNANCE**

During FY2022, Management had kept the Directors apprised during Board and Board Committee meetings on pertinent developments in the Group's business to facilitate the discharge of their duties.

Pursuant to Catalist Rule 720(6), all the Directors have attended the required training on sustainability matters as prescribed by the SGX-ST in FY2022 and prior to the issuance of this report.

The Board is also provided with information and updates on the Group's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information, changes in reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties and responsibilities as Board members or Board Committee members.

To get a better understanding of the Group's business, the Company adopts a policy whereby the Directors are encouraged to request for further explanations from briefings or informal discussions on the Group's operations or business with the Management.

Provision 1.3 – Matters Requiring Board's Approval

The Board has adopted a set of guidelines on matters which specifically require its decision or approval, apart from its statutory duties. Such guidelines are communicated to Management in writing and included all matters of strategic importance such as the followings:

- (a) corporate strategy and business plans;
- (b) investment and divestment proposals;
- (c) funding decisions of the Group;
- (d) nominations of Directors for appointment to the Board and appointment of key personnel;
- (e) announcement of half year and full year results, annual report and financial statements;
- (f) material acquisitions and disposal of assets;
- (g) material interested person transactions; and
- (h) significant policies governing the operations of the Group.

To optimise operational efficiencies, the Company has adopted a guideline and policy setting out financial operations authorisation and approval limits. These are periodically reviewed for operating and capital expenditure and the procurement of goods and services. The Board approves transactions exceeding certain threshold amounts while delegating authority to Management for transactions below such limits.

Provision 1.4 – Delegation of Authority to Board Committees

To facilitate effective management, the Board is supported by three board committees, namely the:

- (a) nominating committee (the "**NC**");
- (b) remuneration committee (the "**RC**"); and
- (c) audit and risk committee (the "**ARC**")

(collectively, the "**Board Committees**").

REPORT OF **CORPORATE GOVERNANCE**

Each Board Committee operates within clearly defined terms of reference which sets out the composition, authority and duties delegated by the Board to make decisions (including reporting back to the Board). The terms of reference of the respective Board Committee can be found on pages 30 to 31, 38 to 39 and 44 to 46 of this report. To ensure relevance, the terms of reference are reviewed from time to time, and any changes to such terms would require approval from the Board. A management risk committee was also formed as a sub-committee of the ARC to oversee the enterprise risk management function of the Group. Further details on the management risk committee may be found under Provision 9.1 of this report.

The appointment of the Board Committee members is carried out carefully to ensure that the Board Committees comprise Directors with the appropriate qualifications and skills to maximise effectiveness and to ensure that the Board Committees would have the appropriate balance to support the long-term success of the Company. As of 31 December 2022, the ARC, NC and RC each comprised entirely independent non-executive Directors.

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

Provision 1.5 – Board Processes and Meetings of Board and/or Board Committees

The Board conducts scheduled meetings on a quarterly basis for FY2022 to discuss and review the strategic policies of the Group, significant business transactions, performances of the business and approves the release of the half-yearly financial results. Board and Board Committee meetings are planned and scheduled well in advance at the beginning of each year in consultation with the Directors to facilitate meaningful participation and to ensure optimal attendance.

Ad-hoc meetings are convened when circumstances require, to discuss pressing matters which require the Board's deliberation and decision in between the scheduled meetings. The Company's Constitution (the "**Constitution**") and terms of references for each Board Committee provide for participation in meetings via audio or visual means. In between regularly scheduled meetings, matters that require the Board and/or Board Committees' approval are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration by way of circular resolutions.

In view of the COVID-19 situation, the Board and Board Committee meetings for FY2022 were conducted by way of video conference and other audio-visual means. The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of these meetings for FY2022 are disclosed as follows:

	Board	ARC	NC	RC
Number of meetings held	5	4	2	2
Name of Director	Number of meetings attended			
Mr Sin Boon Ann	5/5	4/4	2/2	2/2
Mr Abram Melkyzedeck Suhardiman	5/5	–	–	–
Dr Stephen Riady	3/5	–	–	–
Mr Anand Kumar	5/5	–	–	–
Mr Chen Yeow Sin	5/5	4/4	2/2	2/2
Ms Aliza Knox	5/5	4/4	2/2	2/2
Dr Khor Chin Kee ^(a)	3/3	–	–	–

^(a) Dr Khor Chin Kee was appointed as a Director with effect from 1 July 2022.

When considering the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments, the NC reviews the time spent and attention given by each of the Directors to the Company's affairs, and to assess the adequacy of all Directors in discharging their duties for FY2022.

REPORT OF **CORPORATE GOVERNANCE**

Provision 1.6 – Access to Information

The Board is able to discharge their duties as Board or Board Committee members via quarterly updates by the Management, auditors and/or Company Secretaries, during the Board and ARC meetings on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards.

To ensure that the Board and Board Committees are able to fulfil and discharge its duties and responsibilities, the Management attends Board and Board Committee meetings, and provides the Board and Board Committees with complete, adequate and timely information prior to Board or Board Committee meetings, which allow them to make informed decisions. In general, meeting materials are provided in advance of each Board or Board Committee meetings, to facilitate meaningful discussions at such meetings.

The Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at the Board meetings. The Directors are also provided with the contact details of the senior management, the Company Secretaries and external advisers (where necessary) to facilitate separate and independent access at the Company's expense.

The types of information and frequency of provision by Management to Non-Executive Directors are as follows:

<i>Types of information provided by Management to Non-Executive Directors</i>		
	Information	Frequency
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Quarterly
2.	Updates to the Group's operations and the markets in which the Group operates in	Quarterly
3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)	Quarterly
4.	Reports on on-going or planned corporate actions	Quarterly
5.	Enterprise risk framework, internal auditor's report(s), and external auditor's report(s)	Annually
6.	Research report(s)	As and when available
7.	Shareholding statistics	Annually

Provision 1.7 – Directors Have Separate and Independent Access to Information

In furtherance of their duties, the Directors may seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings to fulfil their duties and responsibilities. The appointment of such independent professional advisers is subject to the approval of the Board.

Under the Chairman's direction, the Company Secretaries ensure that Board procedures are followed and that applicable rules and regulations under the Companies Act 1967 (the "**Act**"), and the provisions in the Catalist Rules have been complied with.

The Company Secretaries, or at least one of the Company Secretaries attended all Board and Board Committee meetings and assist the Chairman, the Chairmen of the respective Board Committees and Management in the development of meeting agendas for the various Board and Board Committee meetings.

The appointment or removal of the Company Secretaries is a matter for the Board as a whole.

REPORT OF **CORPORATE GOVERNANCE**

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Independence of the Board

An independent director, as defined under the Code, is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The Board, taking into account the views of the NC, determines the independence of each Director on an annual basis or as and when circumstances require, based on the requirements under the Code and the Catalist Rules. In its deliberation on who may be considered as independent, the Board considers whether a Director had business relationships with the Group, its related corporations, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

Provisions 2.2 and 2.3 – Independent Directors Comprising Majority of the Board and the Proportion of Non-Executive Directors

The Board currently has seven (7) Directors, comprising three (3) Independent Directors, three (3) Non-Independent Non-Executive Directors and one (1) Executive Director. With almost half of the Board consisting of Independent Directors, there is a strong element of independence on the Board. Information regarding each Board member is provided under the Board of Directors section set out on pages 10 to 13 of this report. With their expertise and competency in their respective fields, the Board engages in open and constructive debate and challenges Management on its strategy proposals and assists in reviewing the performance of Management in achieving set objectives. They are well-supported by Management with accurate, complete and timely information to enable them to make informed decisions.

Pursuant to the Code, non-executive Directors should make up the majority of the Board whereas independent Directors should make up at least one-third of the Board. As the Chairman of the Board, Mr Sin Boon Ann, is an Independent Director, and there is a majority of non-executive Directors (i.e., six out of seven Directors) with almost half of the Board comprising independent Directors (i.e., three out of seven Directors), the requirements under Provisions 2.2 and 2.3 of the Code are well met.

Provision 2.4 – Composition, Size and Diversity of Board and Board Committees

The Board recognises the benefit of diversity in fostering robust discussions and strives to achieve an appropriately balanced mix of talent on the Board, principally through combining Directors with diverse but complementary backgrounds and experiences, but also through gender and racial diversity. Each Director has been appointed based on the strength of his/her calibre, experience and stature.

REPORT OF **CORPORATE GOVERNANCE**

The Board and Board Committees comprise Directors who are business leaders and professionals with financial, banking, sales and marketing, consumer business, risk management, operational, IT/technology, legal, venture capital investing, health and medicine as well as compliance and accounting backgrounds. The Directors, as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge and strategic planning experience as follows:

Balance and Diversity of the Board		
	Number of Directors	Proportion of Board
Core Competencies		
– Accounting or finance	3	43%
– Business management	6	86%
– Legal or corporate governance	5	71%
– Relevant industry knowledge or experience	4	57%
– Strategic planning experience	7	100%
– Customer based experience or knowledge	7	100%

The Board, through the NC, has examined its structure, size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Company is committed to building and maintaining a culture of diversity and inclusivity, in terms of skillsets, knowledge, industry and business experience, educational background, gender, age, ethnicity and culture, geographical background, independence and professional qualifications. A Board Diversity Policy was established since March 2019 ("**Board Diversity Policy**") which commits to giving due consideration to the benefits of an effective and diverse Board when seeking to appoint candidates to both the Board and Board Committee.

The Board Diversity Policy provides that the NC shall consider all aspects of diversity when reviewing and assessing the composition of the Board, rotation and retirement of Directors and succession planning, to arrive at an optimal balanced composition of the Board.

When reviewing and assessing the size and composition of the Board and Board Committees, and making recommendations to the Board annually, including the appointment/re-appointment of Directors, the NC will consider all aspects of diversity based on criteria, such as professional qualifications, industry knowledge, experience, skillsets, length of service and the Company's needs. All such appointments will be based on meritocracy and contribution that the selected candidates could bring to the Board, having due regard for overall balance, right blend of skills and the needs of the Company.

REPORT OF CORPORATE GOVERNANCE

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets fellow Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-election of incumbent directors.

The current Board composition reflects the Company's commitment to the relevant diversity in gender, age, ethnicity, skills and knowledge. The following table sets out the diversity targets and progress since the adoption of the Board Diversity Policy:

Targets	Progress
Achieve the following representations on the Board: <ul style="list-style-type: none"> • Gender diversity; and • Diversity in terms of ethnicity and culture 	This was achieved with the appointment of Ms Aliza Knox on 6 November 2020. Ms Knox is also a member of the ARC, NC and RC respectively.
Enhance/expand the Board's skillset to achieve the Company's strategic objectives	The NC took diversity into account in its search for new Directors to complement the skillset of the Board. Following the adoption of the Board Diversity Policy, the Company had appointed Ms Knox and Dr Khor Chin Kee as Directors with effect from 6 November 2020 and 1 July 2022 respectively (the " Appointments "). Together, both Directors brought with them, valuable skills in the areas of business management, corporate governance, industry knowledge and experience, strategic planning experience and customer-based experience or knowledge, to complement the existing skillset of the Board. Please refer to the table on core competencies as set out on page 27 of this report.
Achieve one third independence on the Board with non-executive directors making up the majority of the Board.	With the Appointments, independent Directors make up more than one third of the Board with 6 out of the current 7 Directors being non-executive Directors.
Maintain age diversity	The Board has continued to maintain this target with Directors ranging in age from below 40s to above 60s.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current size and composition of the Board and Board Committees are appropriate and reflective of the Company's commitments to Board diversity with a good balance of skills, experience, industry knowledge, professional qualifications, gender, ethnicity and age, which serve to support the Group in achieving its strategic objectives.

The Company will continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long term success of the Group in line with the Board Diversity Policy as the NC continues to review such policy, as appropriate, to ensure its continuous effectiveness. The NC will recommend appropriate revisions to the Board for its consideration and approval, where necessary.

REPORT OF **CORPORATE GOVERNANCE**

Provision 2.5 – Meetings of the Non-Executive Directors

The Non-Executive Directors of the Company (including the Independent Directors) endeavour to constructively challenge Management and help to develop proposals on strategy. The Directors also review and oversee effective implementation by Management in achieving agreed goals and objectives and monitor the reporting of performance.

The Company has put in place processes to ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, with unrestricted access to Management, to provide these Directors with sufficient time and resources to discharge their oversight function effectively, and to constructively challenge Management. Where necessary, the Company would co-ordinate information sessions for Non-Executive Directors to meet on a need-basis with relevant external auditors of the Group or amongst the Non-Executive Directors, without the presence of Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Chairman and Chief Executive Officer (“CEO”)

The Board is chaired by Mr Sin Boon Ann, Independent Chairman of the Company, appointed at the Annual General Meeting (“AGM”) of the Company held on 26 April 2019. The Chairman is assisted by the Executive Vice Chairman, Mr Abram Melkyzedeck Suhardiman, who was re-designated from his then existing position of Executive Director and Deputy Chief Executive Officer on 9 March 2023.

Dr Khor Chin Kee held office as the CEO up to 30 June 2022, before Mr Stephens Lo Wai Onn assumed such position on 1 July 2022.

The Chairman, Executive Vice Chairman and the CEO are not related to each other, and their roles were also clearly separated through a clear division of responsibilities to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman, Executive Vice Chairman and the CEO jointly oversee the observance of high standards in corporate governance and compliance with the Code.

Provision 3.2 – Roles and Responsibilities of Chairman/CEO

Role of Chairman

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees, for effective and comprehensive deliberations on matters brought to the Board and Board Committees, including strategic issues, talent management, succession planning as well as the governance process. He promotes an open environment for debates, ensures sufficient allocation of time for thorough discussion of board meeting agenda and provides close oversight, guidance, advice and leadership to the CEO and the Management. The Chairman, with consultation of Management, sets the agenda of the Board meetings and ensures that all Board members are provided with complete, adequate and timely information to facilitate good decision making, in particular on strategic issues. As a rule, the Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings.

The Chairman also plays a pivotal role in fostering constructive dialogue with Shareholders, and ensures appropriate relations within the Board, between the Board and the Management, as well as between the Board and the CEO.

REPORT OF CORPORATE GOVERNANCE

At meetings, he promotes a culture of open dialogues and debate, facilitating the effective contribution of all Directors and promotes high standards of corporate governance. At shareholder meetings, the Chairman ensures constructive dialogue between the Shareholders, and the Directors and Management.

As the Executive Vice Chairman, Mr Suhardiman will be responsible for the Group's overall growth strategy and corporate development.

Role of the CEO

Mr Lo was appointed in place of Dr Khor as the CEO on 1 July 2022 and is responsible for the overall management and operations of the Group which includes effectively managing and supervising the day-to-day business operations of the Group in accordance with the strategic plans endorsed by the Board; regular report to the Board on all aspects of the Group's operations and performance; monitoring and reviewing of risk management function and the operation of the management risk committee.

The CEO makes sure that the information that is shared with the Board is timely, appropriate and is of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

Provision 3.3 – Lead Independent Director

The Code provides that the Board should have a Lead Independent Director to provide leadership in situations where the Chairman of the Board is conflicted, and especially when the Chairman of the Board is not independent.

Although the Chairman of the Board is independent, the Company had voluntarily retained Mr Chen Yeow Sin as the Lead Independent Director ("**Lead ID**") for good corporate governance initiative. Mr Chen acts as the leader of the Independent Directors at Board Meetings to provide non-executive perspectives and contribute a balance of viewpoints on the Board. The Lead ID ensures that affairs of the Board and the Company are managed in a manner which reflects effective corporate governance.

The Lead ID is also available to the Shareholders or other stakeholders of the Company to address any concerns relating to matters that could not be resolved through the normal channels via the Chairman, Vice Chairman or CEO, or when such contact is not possible, inappropriate, or inadequate. In addition, Lead ID also facilitates communication between the Board and the Shareholders or other stakeholders of the Company.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – NC, Composition of NC and its Terms of Reference

The Board establishes a NC to make recommendations to the Board on relevant matters, pertaining to the composition of the Board including aspects such as professional qualifications of its Directors, industry and geographic knowledge, experience, skills, length of service and the needs of the Company.

The NC comprises the following members, all of whom are independent:

Mr Chen Yeow Sin (Chairman)	Lead Independent Director
Mr Sin Boon Ann	Board Chairman and Independent Director
Ms Aliza Knox	Independent Director

REPORT OF **CORPORATE GOVERNANCE**

The NC has the responsibility of establishing a formal and transparent search and nomination process for the appointment and re-appointment of Directors. The NC also evaluates and reviews the Board succession plans for Directors to ensure progressive renewal of the Board, as well as the appointment and/or replacement of the Chairman, the CEO or key management personnel.

The NC has written terms of reference that set out its roles and responsibilities. The principal functions of the NC are as follows:

- review and make recommendations to the Board on;
 - i. candidates for the appointment or re-appointment of members of the Board, the CEO, president and executive directors of the Company, members of the various Board Committees and key management personnel, where applicable;
 - ii. board succession plans for Directors in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
 - iii. training and professional development programs for the Board and its Directors; and
 - iv. the criteria for identifying candidates and reviewing nominations for the appointments.
- propose the process and objective performance criteria for and undertake regular evaluation of the Board, the Board committees and that of the contribution and performance (e.g. attendance, preparedness, participation and candour) of each individual Director to the effectiveness of the Board;
- evaluate if a Director is able to and has been adequately carrying out his duties as a Director;
- review the appointment and re-appointment of Directors (including alternate Directors, if any);
- identify gaps in the mix of skills, experience and other qualities required in an effective board to better nominate or recommend suitable candidate(s) to fill these gaps; and
- determine if a Director is independent in accordance with the Code and the relevant Catalist Rules annually, or as and when circumstances arise.

Provision 4.3 – Selection, Appointment and Re-Appointment of the Directors

The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors.

The NC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. In the nomination and selection process, the NC will first review the Company's prevailing and emerging strategic priorities before reviewing the experience and expertise of the current Board composition to identify critical complementary gaps which require filling that are aligned to the strategic priorities of the Company. Taking into account the commitment towards Board diversity, in line with the Company's Board Diversity Policy, the identification of potential candidates and the nominations for such appointments are based on the following criteria:

- (i) at least half of Directors shall be Independent Directors; and
- (ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the overall balance, right blend of skills and the needs of the Company based on the candidate's track record, age, experience, capabilities, gender, ethnicity and culture, geographical background and other relevant factors.

REPORT OF **CORPORATE GOVERNANCE**

Each member of the NC shall abstain from voting on any recommendation and/or participating in respect of matters in which he/she has an interest.

The Board does not encourage the appointment of alternate Directors and no alternate Director has been or is currently appointed to the Board.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment of a new Director. Candidates may be suggested by Directors, Management or externally sourced. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board, such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his/her responsibilities, good decision-making track record, relevant experience and financial literacy. The NC then nominates the most suitable candidate to the Board for approval. Pursuant to his/her appointment as a Director of the Company by the Board, the candidate will be required to stand for re-election at the next AGM of the Company pursuant to the Company's Constitution.

All Directors are also subject to the provisions of the Constitution whereby at least one-third (or the number nearest one-third rounded up to the next whole number) of the Directors are required to retire from office at every AGM. Further, all the above Directors are also required to retire from office at least once in every three years. Retiring Directors are eligible for re-election. As mentioned above, all new Directors appointed by the Board during the financial year shall also hold office only until the next AGM but will be eligible for re-election at that AGM. Shareholders will be provided with relevant information of the candidates for election or re-election.

The NC deliberates the suitability of the Directors for re-election and takes into consideration their competencies, past contribution, attendance and participation at Board and Board Committee meetings, commitment, and performance during the previous year, and where applicable, the retiring Directors' independence. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her re-election as a Director. The NC's recommendations will then be made to the Board for its approval, and Shareholders would be provided with relevant information on the Directors who will be standing for re-election at each AGM.

The Directors who are retiring by rotation under Regulation 98 of the Constitution of the Company and standing for re-election at the forthcoming AGM are Mr Chen Yeow Sin and Ms Aliza Knox. Dr Khor Chin Kee, who was appointed on 1 July 2022, after the last AGM, will be retiring under Regulation 102 of the Constitution of the Company, and will be standing for re-election at the forthcoming AGM.

After consideration of the respective retiring Directors' overall contribution and performance, the NC recommends the re-election of each of the Directors standing for re-election at the forthcoming AGM. The NC's recommendation, which has been endorsed by the Board, follows the NC's assessment of the Directors' contributions, competencies and commitments (including attendance, preparedness, participation at Board and Board Committee meetings).

All the retiring Directors, being eligible for re-election, have offered themselves for re-election at the forthcoming AGM, and upon re-election:

- (a) Mr Chen Yeow Sin shall remain as Lead Independent Director and Chairman of the ARC and NC as well as member of the RC respectively;
- (b) Ms Aliza Knox shall remain as an Independent Non-Executive Director, and a member of the ARC, RC and NC respectively; and
- (c) Dr Khor Chin Kee shall remain as a Non-Independent Non-Executive Director.

(together the "**Retiring Directors**").

REPORT OF **CORPORATE GOVERNANCE**

The additional information relating to the Retiring Directors as required under Rule 720(5) of the Catalist Rules can be found on pages 54 to 65 of this report.

The Board is satisfied that each Director is able to and has been adequately carrying out duties as a Director of the Company. The Board is of the view that the assessment of whether each Director is able to devote sufficient time to discharge his duties should not be restricted to the number of listed company board representations. The considerations in assessing the capacity of Directors include the following:

- (a) Expected and/or competing time commitments of Directors;
- (b) Geographical location of Directors;
- (c) Size and composition of the Board; and
- (d) Nature and scope of the Group's operations and size.

Provision 4.4 – NC to Determine Directors' Independence

The NC deliberates annually, to determine the independence of a Director, in line with the relevant provisions and salient factors in the Code. No member of the NC participated in the deliberation in respect of his/her own status as an Independent Director.

Each Director is required to disclose to the Board any relationships or circumstances which are likely to affect or could appear to affect the Director's judgement, as and when they arise. The Directors are also required, to complete annually, a confirmation of independence based on the substantive requirements of the Code and declare whether he/she considers himself/herself to be independent based on the criteria under the Catalist Rules and the Code, including, amongst others, the confirmation that he/she does not have any relationship with his/her fellow Directors or with the Group and its substantial shareholders. Such declarations are put before the NC to be reviewed annually in accordance with the definition of independence in the Code and the Catalist Rules to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently.

For FY2022, the Independent Directors have confirmed that they are independent and do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Taking into consideration factors above, the NC is of the view that the Independent Directors, Mr Chen Yeow Sin, Mr Sin Boon Ann and Ms Aliza Knox, remain independent. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

Provision 4.5 – New Directors and Commitments of Directors sitting on Multiple Directorships

The NC regularly reviews the existing attributes and competencies of the Board to determine the desired experience and expertise required to strengthen or supplement the Board, in line with the Group's Board Diversity Policy. In identifying potential candidates for the Board, the NC will also take into account the candidate's background, and whether such candidate has fully discharged his/her duties and obligations during his/her previous directorships in companies listed on the SGX-ST, to ensure that the potential candidate could continue to adequately carry out his/her duties as a director of the Company.

Newly appointed Directors undergo an orientation program with materials provided to familiarise them with the business and organisation structure of the Group, and if necessary, attend the relevant prescribed training on the roles and responsibilities as a director of a listed company in Singapore, conducted by SID to ensure that they are aware of their duties and obligations as a director of a listed company.

REPORT OF CORPORATE GOVERNANCE

In assisting the NC to determine whether the Directors who have multiple board representations have given sufficient time, commitment and attention to the affairs of the Group, the Directors have adopted a form of internal guidelines whereby Directors are required to apprise the Board of their other listed company directorships and other principal commitments.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that for the financial year ended 31 December 2022, all Directors have devoted a satisfactory amount of time and attention to the Company and have discharged their duties adequately. As such, the Board does not propose to set the maximum number of listed company board representations and principal commitments which Directors may hold, until such time when the need arises. The NC would continue to review from time to time, the board representations and principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

The dates of appointment, last re-election and directorships of the Directors in other listed companies and other principal commitment are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Mr Sin Boon Ann	26 April 2019	27 April 2022	<u>Singapore</u> <ul style="list-style-type: none"> • TIH Limited • Rex International Holdings Limited • OUE Limited • CSE Global Limited • Sarine Technologies Ltd. • The Trendlines Group Ltd. 	<u>Singapore</u> <ul style="list-style-type: none"> • HRnetGroup Limited 	<u>Singapore</u> <ul style="list-style-type: none"> • Drew & Napier LLC (Consultant)
Mr Abram Melkyzedeck Suhardiman	26 April 2019	27 April 2022	<u>Singapore</u> TIH Limited	–	<u>Singapore</u> <ul style="list-style-type: none"> • MoolahGo Pte. Ltd. • IPP Financial Services Holdings Limited <u>Overseas</u> City Ocean Group Limited
Dr Stephen Riady	16 August 2017	26 April 2021	<u>Singapore</u> <ul style="list-style-type: none"> • OUE Limited <u>Overseas</u> <ul style="list-style-type: none"> • Lippo Limited • Lippo China Resources Limited • Hongkong Chinese Limited 	–	<u>Singapore</u> Executive Chairman and Group Chief Executive Officer of: <ul style="list-style-type: none"> • OUE Limited Executive Director of: <ul style="list-style-type: none"> • Auric Pacific Group Limited <u>Overseas</u> Executive Director, Chairman and Executive President of: <ul style="list-style-type: none"> • Lippo Limited • Lippo China Resources Limited • Hongkong Chinese Limited

REPORT OF CORPORATE GOVERNANCE

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Mr Anand Kumar	24 March 2017	26 April 2021	<p><u>Overseas</u></p> <ul style="list-style-type: none"> • Tube Investments of India Limited • Cholamandalam Investment and Finance Company <p>Mr Kumar's directorships in Tube Investments of India Limited and Cholamandalam Investment and Finance Company are in the capacity of an Independent Director.</p>		<p><u>Singapore</u></p> <ul style="list-style-type: none"> • Gateway Management Company Pte. Ltd. • Gateway Fund Company Pte. Ltd. • Gateway Fund II Company Pte. Ltd. • GW Confectionary Pte. Ltd. • GW Crown Pte. Ltd. • GW Three Pte. Ltd. • GW Supernova Pte. Ltd. • GW Redwood Pte. Ltd. • GW Sky Pte. Ltd. • Angsana Singapore Pte. Ltd. • Mahogany Singapore Company Pte. Ltd. • Falcon Investments Pte. Ltd. • Sparrow Investments Pte. Ltd. • Rain Tree Investments Pte. Ltd. • Ash Investments Pte. Ltd. • Cranesbill Investments Pte. Ltd. • Sedum Investments Pte. Ltd. <p><u>Overseas</u></p> <ul style="list-style-type: none"> • Gateway Partners Limited • Gateway Partners II Limited • Gateway (Cayman) Limited • Gateway Holdings Limited • Gateway Capital Partners Limited • GW Active Limited • GW Investments Limited • GW Partners Investments Limited • General Master Worldwide Limited • Angsana International Limited • Angsana Finance Limited • ASN Investments Limited

REPORT OF **CORPORATE GOVERNANCE**

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
					<ul style="list-style-type: none"> • Tecoma Finance Limited • Leopard Tree Finance Limited • Narra Finance Limited • Magnolia Finance Limited • TVS Supply Chain Solutions Limited • DRSR Logistics Services Private Limited • Mahogany Logistics Services Private Limited • Medall Healthcare Private Limited • Land Registration Systems Inc. (LARES) <p>As Chairman and President</p> <ul style="list-style-type: none"> • Falcon SG Holding (Philippines), Inc <p>As Member of Board of Commissioners</p> <ul style="list-style-type: none"> • PT Lippo Karawaci Tbk • PT Lippo Cikarang Tbk <p>As Member of the Asia Alumni Board</p> <ul style="list-style-type: none"> • Vanderbilt University Business School <p>All the entities named, except for Tube Investments of India Limited, Cholamandalam Investment and Finance Company, GW Partners Investments Limited, General Master Worldwide Limited, and Vanderbilt University Business School are entities associated with Mr Kumar's principal commitments as a Partner and Investment Committee member at Gateway Partners.</p>

REPORT OF CORPORATE GOVERNANCE

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Dr Khor Chin Kee	1 July 2022	N.A.	–	–	Singapore UCare.IO Pte. Ltd.
Mr Chen Yeow Sin	21 July 2017	6 July 2020	–	–	Singapore <ul style="list-style-type: none"> • One Consulting Group Pte. Ltd. • One Financial Advisory Services Pte. Ltd. • One e-Risk Services Pte. Ltd. • One Tax Services Pte. Ltd. • One Outsource Services Pte. Ltd. • One Partnership PAC (Managing Director)
Ms Aliza Knox	6 November 2020	26 April 2021	Overseas Tyro Payments Limited	Overseas Scentre Group (ceased w.e.f. 8 April 2020)	Singapore Azentio Software Private Limited Overseas <ul style="list-style-type: none"> • Health Metrics Pty Ltd • CX Holdco Pty Ltd

Further details of the Directors are provided under the Board of Directors section set out on pages 10 to 13 of this report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal assessment of its effectiveness as a whole and each of its board committees and individual directors.

Provisions 5.1 and 5.2 – Board Performance and Board Evaluation

The Board reviews its performance annually and has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board Committees, and the contribution from each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his or her performance or re-nomination as a Director.

In evaluating the Board's and the Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board and Board Committees' evaluation are in respect of:

- (a) Board size and composition;
- (b) Board information;
- (c) Board process and accountability;
- (d) Board Committee performance in relation to discharging their responsibilities set out in the respective terms of reference; and
- (e) Standards of conduct.

REPORT OF CORPORATE GOVERNANCE

The individual Director's performance criterion is in relation to the Director's:

- (a) Interactive skills;
- (b) Knowledge including industry or professional expertise, specialist or functional contribution and regional expertise;
- (c) Duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and
- (d) Conduct including maintenance of independence, disclosure of related party transactions and compliance with company policies.

During the financial year under review, all Directors completed a comprehensive board evaluation questionnaire designed to seek their view on various aspects of the Board and Board Committees' performance as described above. All Directors also completed a Directors' Peer Evaluation Questionnaire in relation to the assessment of individual Director's contribution. Their feedback and responses were collated by the Company Secretary and presented to the NC for review and discussion, prior to submitting to the Board for its review and assessment of areas of improvement. The Chairman, in consultation with the NC, acted on the results of the performance evaluations. Where appropriate, the Chairman will propose that new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's and Board Committees' performance to-date and individual Directors' contributions and is of the view that the performance of the Board as a whole, the Board Committees and individual Directors, was satisfactory. Accordingly, the Board has met the performance evaluation criteria and objectives during the financial year under review.

There is no external facilitator engaged for the assessment of the Board's and Board Committees' performances and individual Directors' contributions.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1, 6.2 and 6.3 – RC, Composition of RC, its Terms of Reference and the Roles and Responsibilities of the RC

The Board establishes a RC to review and recommend to the Directors the Group's remuneration framework for both the Directors and key management personnel including the specific remuneration packages for each of such individual, with the main objective to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives as well as to motivate Directors to provide good stewardship to the Group.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors, namely:

Mr Sin Boon Ann (Chairman)	Board Chairman and Independent Director
Mr Chen Yeow Sin	Lead Independent Director
Ms Aliza Knox	Independent Director

REPORT OF **CORPORATE GOVERNANCE**

The RC plays an important role in ensuring that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration. The RC also considers all aspects of remuneration including termination terms to ensure they are fair. Its key functions include:

- review and make recommendations on specific remuneration packages, including annual increments, variable bonus, share option grants and other incentive plans, of the Executive Chairman, Executive Directors and key management personnel, where applicable;
- recommend to the Board the policies and general framework for remuneration of the Board and key management personnel; and
- review and make recommendations on the fees and remuneration packages of the Non-Executive Directors, for Shareholders' approval at the AGM.

Each member of the RC shall abstain from voting on any recommendation and/or participating in respect of matters in which he or she has an interest.

In discharging its responsibilities, the RC considers all aspects of remuneration and benchmark against comparable organisations within the industry (to the extent such information is available) to ensure that all aspects of remuneration remain fair and competitive, as well as within the Group's long-term strategy, performance and corporate values.

The RC's recommendations would then be submitted to and endorsed by the Board, which is ultimately accountable for all remuneration decisions.

Provision 6.4 – RC's Access to Advice on Remuneration Matters

In discharging its functions, the RC may from time to time, seek independent external legal and other professional advice on the remuneration of all Directors and key management personnel. The expenses of such advice shall be borne by the Company.

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2022.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.2 – Remuneration of Executive Directors and Key Management Personnel, and the Remuneration of Non-Executive Directors

The RC sets the level and structure of remuneration for the Directors and key management personnel and all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind (including any changes thereto), which are subject to the review of the RC for recommendation to the Board for approval. Where necessary, expert professional advice will be sought.

Each member of the RC will abstain from reviewing and voting on any RC's resolutions approving his/her own remuneration as well as the remuneration packages of persons related to him/her, if any.

REPORT OF **CORPORATE GOVERNANCE**

Remuneration Structure of Non-Executive Directors

The Non-Executive Directors do not have any service agreements with the Company, and they receive Directors' fees which are pro-rated according to their appointment date, where applicable, and based on their contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable. The Directors' remuneration is reviewed annually against peer companies to ensure its competitiveness, and the quantum of the fees will only be paid upon approval by the Shareholders at AGM.

The RC adopted the guidelines set out in the Statement of Good Practice issued by the SID to determine the scale of the Directors' fees for FY2022. The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. Except for Dr Stephen Riady, Mr Anand Kumar, Mr Abram Melkyzedek Suhardiman and Dr Khor Chin Kee, all Directors will receive a base fee for being a member of the Board and additional fees for appointment to Board Committees (collectively, the "**Directors' fees**").

For the financial year under review, the Independent Directors of the Company will be paid Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors.

The Company believes that the current remuneration of the Independent Directors and Non-Independent Non-Executive Directors are at a level that will not compromise the independence of such Directors. Further details of the breakdown of the remuneration of each Director are provided on page 42 of this report.

Remuneration Structure of Executive Directors and Key Management Personnel

The remuneration for the Executive Director(s) and key management personnel is based on the terms of their respective service contracts entered into with the Company. The review of the remuneration of the Executive Director and key management personnel takes into consideration the performance and the contributions of the Executive Director and key management personnel to the Company based on their distinct individual's job scopes and responsibilities and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully. The RC also has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises. There is no remuneration consultant engaged for the provision of professional advice on remuneration matters in FY2022.

In relation to the remuneration of CEO/Executive Directors and key management personnel, the Company adopts a remuneration policy that comprises a fixed as well as variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus determined based on the level of achievement of corporate and individual performance objectives, aligning their interests with the interests of the Shareholders.

The following performance conditions were chosen for the Group to remain competitive and to motivate the executive directors (if any) and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term Incentives	Long-term Incentives
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors 	<ol style="list-style-type: none"> 1. Current market and industry practices

Notwithstanding the challenging environment in FY2022, the RC is satisfied that the performance conditions were met for FY2022.

There is no termination, retirement or any post-employment benefits to Directors and key management personnel during FY2022.

REPORT OF CORPORATE GOVERNANCE

Provisions 7.3 and 8.3 – Incentive Schemes to Promote Good Stewardship of the Company for the Long Term and Employee Share Scheme

The Company had adopted a Healthway Medical Performance Share Plan (the “**Performance Share Plan**”) which was approved by the Shareholders of the Company at the extraordinary general meeting held immediately after the AGM of the Company on 26 April 2019. The grant of share awards to employees (including doctors) under the Performance Share Plan is designed to motivate staff towards strategic business objectives and for staff retention, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organizational commitment, dedication and loyalty of the eligible participants to the Group. The Company had performed various share buy-back exercises during FY2019 and had granted and vested share awards to the eligible participants on 27 March 2020 and 29 March 2021 respectively. The final and third tranche of the share awards were vested on 29 March 2022 in accordance with the vesting timeline scheduled which was announced via the Company’s SGXNet announcement made on 27 March 2020.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent in its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3 – Remuneration of the Directors and Top Five Key Management Personnel

The Company sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group.

Remuneration of CEO/Executive Director and Key Management Personnel

The Group adopts a remuneration strategy that is performance-related to align with the interests of Shareholders and other stakeholders and promotes long-term success of the Company. The remuneration structure for the CEO and key management personnel consists of the following components:

(a) Fixed Component

Fixed pay comprises base salary, fixed allowances and annual wage supplement. Such pay is based on the individual’s roles and responsibilities, competencies and experience, appropriate to attract, retain and motivate the CEO and key management personnel to successfully manage the Company for the long term.

The RC assesses and proposes the remuneration of the CEO and key management personnel for the Board’s approval on an annual basis.

(b) Variable Component

Variable component refers to the performance incentive bonus which links rewards to organisational achievement targets. The incentive bonus is based on the Group’s performance and the quantum of net income earned as well as individual performance.

The remuneration of each individual Director and CEO to the nearest thousand is not disclosed as the Board believes that the disclosure may be prejudicial to its business interests given the highly competitive healthcare business environment the Company operates in. The RC has reviewed the general practice of the industry and considered the pros and cons of such disclosure.

REPORT OF CORPORATE GOVERNANCE

The breakdown of the remuneration (in percentage terms) of each Director and the CEO for FY2022 is set out below:

Name of Director/CEO	Fee	Salary	Bonus	Benefits*	Total
	%	%	%	%	%
Below S\$250,000					
Mr Sin Boon Ann	100	–	–	–	100
Dr Stephen Riady	–	–	–	–	–
Mr Anand Kumar	–	–	–	–	–
Mr Chen Yeow Sin	100	–	–	–	100
Ms Aliza Knox	100	–	–	–	100
More than S\$250,000 but below S\$500,000					
Dr Khor Chin Kee ¹	4.0	66.4	28.7	0.9	100
Mr Stephens Lo ²	–	66.8	32.6	0.6	100
More than S\$500,000 but below S\$750,000					
Mr Abram Melkyzedeck Suhardiman	–	47.3	52.1	0.6	100

* Other benefits include mainly employers' contributions to the Central Provident Fund and transport allowances.

¹ Dr Khor Chin Kee retired as the CEO of the Company on 30 June 2022 and was appointed as an Non-Executive Director of the Company on 1 July 2022.

² Mr Stephens Lo was appointed the CEO of the Company on 1 July 2022.

The Code defines "key management personnel" as the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company takes the view that, save for the Executive Vice Chairman and CEO, there are no other persons that have the authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Company only has two (2) key management personnel during FY2022.

Provision 8.2 – Employees who are Substantial Shareholders or are Related to Directors/CEO/Substantial Shareholder of the Company

During the financial year under review, employees whose remuneration exceeded S\$100,000 who are related to the Directors or CEO of the Company are as follows:

Name of Director/CEO	Name of employee	Relationship with Director	Position employed
Dr Stephen Riady	Mr Abram Melkyzedeck Suhardiman ^(a)	Son-in-law	Executive Vice Chairman*
Dr Khor Chin Kee	Dr Chong Bick Yew	Spouse	Physician

^(a) The remuneration is disclosed in Provisions 8.1 and 8.3 of this report.

* Mr Abram Melkyzedeck Suhardiman was re-designated to position of Executive Vice Chairman from his previous role of Executive Director and Deputy CEO on 9 March 2023.

Save as disclosed, there are no employees who are immediate family members of a director or CEO or a substantial shareholder and whose remuneration exceeds S\$100,000 during the year.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive director(s) and key management personnel in exceptional circumstances such as misstatement of financial results, or of misconduct resulting in financial loss. Notwithstanding the foregoing, the

REPORT OF CORPORATE GOVERNANCE

executive director(s) owes a fiduciary duty to the Company and the Company would be able to avail itself of the relevant remedies at law against the executive director(s) in the event of a breach of fiduciary duties.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

Provision 9.1 – Risk Management and Internal Control System

The Board and Management of the Group are committed to maintaining throughout the Company, a culture of risk awareness.

The Board and Management ensure that the Group implements and maintains a sound system of risk management and internal controls. The Board retains the responsibility for determining the type and level of business risks that the Group undertakes on an integrated basis to achieve its business strategy and objectives. It is responsible for the overall internal control framework and risk management in the Group, amongst other matters.

Management is responsible for the design, execution and reporting of the Group's risk management. This includes proposing to the Board on the Group's medium and long term strategic plans with appropriate risk analysis, annual plans and updates on both the strategies and the associated risk levels. Additionally, Management is also responsible to report to the Board on significant progress or where applicable, deviations of the plans, as well as to report on events that represent new risks to the Group.

The Board believes that the system of internal controls maintained by Management provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislations, regulations and best practices and the identification and management of business risks. The Board is assisted by the ARC in carrying out its responsibility for risk management and internal controls.

The Group has also put in place an enterprise risk management (“ERM”) framework which sets out the components for managing risks in an integrated systematic and consistent manner. The Group's ERM incorporates a risk register to capture significant business risks, optimise resources and strategies and internal controls to mitigate the Group's risks.

To assist the ARC in its oversight of risk management and internal control functions, a management risk committee was formed during FY2019 under a written term of reference. The management risk committee was headed by Mr Stephens Lo, the CEO, and other committee members including Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”) and any officers or employees of the Group which the committee deems appropriate. The management risk committee reports to the ARC on half-yearly basis. The management risk committee undertakes risk review from the Group's perspective, records the inherent risks, conduct cause and impact analysis, risk treatment and assessment of residual risks and target residual risks.

Provision 9.2 – Adequacy and Effectiveness of Internal Controls and Risk Management Systems

The Board reviews, annually, the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board continually monitors the threat and impact of risks to the Company's business and in parallel, assesses the Company's internal systems and procedures that monitor, control and mitigate these risks. The Board has received the assurance (the “Assurance”) from:

REPORT OF **CORPORATE GOVERNANCE**

- (i) the CEO and the CFO that the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Company and the Group's operations and finances; and
- (ii) the management risk committee of the Company, led by the CEO, that the Group's risk management and internal control systems were adequate and effective for FY2022, based on ERM framework and the internal control policies and procedures established and maintained by the Company and the Group.

In line with the Listing Rule 705(5) of the Catalist Rules, the Board provides a negative assurance statement to the Shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

In addition, the Company had, pursuant to the Rule 720(1) of the Catalist Rules, received undertakings from all its Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers comply with the best of their abilities with the provisions of the SGX-ST's Catalist Rules, the Securities and Futures Act 2001, the Singapore Code on Take-overs and Mergers and the Act and will also procure the Company to do so.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors in the course of their statutory audit, reviews performed by Management and various Board Committees and the Assurance received, the Board with the concurrence of the ARC is of the opinion that the Group's internal controls including the financial, operational, compliance and information technology controls and risk management systems of the Company were adequate and effective as at 31 December 2022 to address the risks which the Group considers relevant and material to its operations and finances.

The Board and the ARC noted that all internal controls contain inherent limitations, and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Company's internal controls system.

The Company is gradually placing emphasis on sustainability reporting and further details on the policies and programmes as well as the Company's approach to risk management would be disclosed in the Sustainability Report of the Company for FY2022 to be released to the SGX-ST via SGXNet by 30 April 2023.

AUDIT RISK COMMITTEE ("ARC")

Principle 10: The Board has an ARC which discharges its duties objectively.

Provision 10.1, 10.2 and 10.3 – ARC and its Terms of Reference and Composition of ARC

The Board has an ARC which was formed under written terms of reference which clearly sets out its authority and duties.

The ARC comprises the following members, all of whom are independent:

Mr Chen Yeow Sin (Chairman)	Lead Independent Director
Mr Sin Boon Ann	Board Chairman and Independent Director
Ms Aliza Knox	Independent Director

The ARC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and in developing and maintaining effective systems of risk management and internal control. All members of the ARC, including the ARC Chairman, have recent and relevant accounting or related financial management expertise and/or experience. The ARC does not comprise members who were partners or directors of the incumbent external auditor, Messrs Ernst & Young LLP ("**EY**"), and the internal auditor, Messrs Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**") within the last two (2) years, or hold any financial interest in EY and Baker Tilly.

REPORT OF **CORPORATE GOVERNANCE**

The principal responsibilities of ARC as set out in its terms of reference, include the following:

- review the significant financial reporting issues and judgements so as to ensure the integrity of announcements and press releases related to the financial statements and/or performance of the issuer;
- review and make recommendations on the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- review the assurance from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company and the Group's operations and finances;
- make recommendations to the Board on the (i) appointment, re-appointment or removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- oversee whistleblowing policies, processes and reporting;
- evaluate the adequacy, effectiveness, scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- evaluate the independence of the external auditors annually;
- review, along with the management risk committees, Management and the internal and external auditors, significant risks or exposures that exist and assess the steps the Management has taken to minimise such risk to the Company;
- review and assess the adequacy and effectiveness of the Company's risk management system and system of internal control (including financial, operational, compliance and information technology controls) and management information systems through discussions with the management risk committee and the internal and external auditors;
- assess the independence and effectiveness of the internal audit function and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group;
- review, along with the internal auditors, the work plan, scope and results of the internal audit procedures;
- review interested person transactions and potential conflict of interests falling within the scope of the Chapter 9 of the Catalist Rules; and
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies of the SGX-ST and programs and reports received from regulators.

In addition, the ARC has explicit authority to investigate any matter within its terms of reference and is given the task to commission independent investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The ARC has full access to, and the co-operation of Management, and also the discretion to invite any Director or executive officer to attend its meetings. The ARC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The ARC meets on a quarterly basis to review the Group's quarterly business updates, half-yearly unaudited financials and audited annual financial statements, SGXNet announcements and all related disclosures to Shareholders before submission to the Board for approval. The ARC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and report to the Board annually.

REPORT OF **CORPORATE GOVERNANCE**

The ARC reviews the overall scope of both internal and external audits and the assistance given by the Group's officers and Management to the auditors. It meets with the external and internal auditors, without the presence of Management, at least annually, to discuss the results of their respective assessments and evaluations of the Group's system of internal controls, and to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors. The ARC has reasonable resources to enable it to discharge its functions properly. The external auditors present to the ARC the audit plan and updates relating to any change of accounting standards which have a direct impact on financial statements during the ARC meetings. The ARC has met with the external and internal auditors once, without the presence of Management during FY2022.

Certain Singapore-incorporated subsidiaries of the Company were audited by different auditors as disclosed in Note 13(a) to the financial statements of this report. The Board and ARC have considered this and are satisfied that the appointment of different auditing firms would not compromise the standard and effectiveness of the audit of the Company by EY, the Company's independent external auditor based on the adequacy of resources and experience of the other auditors. Therefore, Rule 712 and Rule 716 of the Catalist Rules have been complied with by the Company.

The aggregate amount of fees paid or payable to EY, broken down into audit and non-audit services during FY2022 are as follows:

Audit fees	S\$430,000
Non-audit fees	–
Total	<u>S\$430,000</u>

During FY2022, EY did not provide any non-audit services to the Group and no non-audit fees were paid. EY has also provided a confirmation of its independence to the ARC. Accordingly, the ARC has recommended the re-appointment of EY as the Company's external auditor at the forthcoming AGM.

Provision 10.4 – Internal Auditor

The internal audit ("IA") function of the Group has been outsourced to Baker Tilly, an independent accounting and auditing firm. The IA's primary line of reporting is to Chairman of the ARC. The ARC will review the internal audit plan to ensure that the scope is adequate and covers the review of the significant business functions of the Group and all internal audit findings and recommendations are submitted to the ARC for deliberation with copies of these reports extended to the relevant key management executives. The ARC approves the appointment, evaluation and fees of the internal audit firm. Baker Tilly has confirmed that it has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.

The IA is guided by the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors.

Adequacy and Effectiveness of the Internal Audit Functions

The ARC reviews annually the adequacy and effectiveness of the internal audit function to ensure that internal audits are conducted effectively, and that Management provides the necessary co-operation to enable the internal auditor to perform its function. The ARC also reviews the internal auditor's reports and remedial actions implemented by Management to address any internal control inadequacies identified and was satisfied that the internal audit functions were adequate and effective.

In FY2022, the ARC has reviewed with Baker Tilly their audit plan and their evaluation of the system of internal controls, their findings relating to the effectiveness of material internal controls, including financial, operational and compliance controls and Management's responses to those findings. The team performing the internal audit comprises Certified Internal Auditors and the Partner has audit experience in the healthcare industry. The ARC, based on the feedback and confirmation received from Baker Tilly, is satisfied that Baker Tilly is independent, effective, adequately qualified (given, inter alia, its adherence to IPPF) and sufficiently resourced and has the appropriate standing within the Group to discharge its duties effectively.

REPORT OF CORPORATE GOVERNANCE

Provision 10.5 – Meeting with the External Auditor and Internal Auditor Without the Presence of Management

The Company's internal and external auditors were invited to attend ARC Meetings during FY2022 and make presentation, as appropriate. Both auditors also met separately with the ARC without the presence of Management, to provide them with the opportunity to discuss unreservedly and to raise any pertinent issues without restrictions or interference.

During the year under review, EY highlighted to the ARC and the Board the significant matters that required the ARC's attention arising from their audit of the financial statements. In this regard, the ARC reviewed and discussed with EY, the following significant matters:

Significant matter	How the ARC reviewed the matter and what decisions were made
Purchase price allocation for the acquisition of subsidiaries	<p>The ARC considered the approach and valuation methodology applied in valuing the net identifiable assets and financial instruments in the purchase price allocation exercise. It reviewed the reasonableness of the cash flow forecast and the key assumptions used which included the revenue growth rates and the discount rate.</p> <p>It reviewed the reasonableness of its methodology and assumptions used in deriving the valuation of the financial instruments performed by the external valuation expert.</p> <p>The purchase price allocation for the acquisition of subsidiaries was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2022. Refer to pages 70 to 71 of this report.</p>
Impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries	<p>The ARC considered the approach and valuation methodology applied in the impairment assessment for goodwill, brand name with indefinite useful lives and investment in subsidiaries. It reviewed the reasonableness of the cash flow forecast and the key assumptions used which included the revenue growth rates, discount rate and the long-term growth rate.</p> <p>The impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2022. Refer to pages 71 to 72 of this report.</p>

REPORT OF **CORPORATE GOVERNANCE**

Whistle-blowing Policy

The ARC has put in place a whistle-blowing policy whereby employees of the Group and external parties, which includes the Group's business associates, may in confidence, raise concerns about possible improprieties including concerns about the Group's financial reporting, accounting, internal controls, auditing matters and the conduct of staff including Management and Directors, or other matters to Mr Chen Yeow Sin, the ARC Chairman and the Lead ID. The objective for such an arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected or potential fraud, corruption, dishonest practices or other similar matters can be lodged via email to Mr Chen Yeow Sin at whistleblow@healthwaymedical.com.

All whistleblowing reports received, including the identities of the whistleblowers and the persons implicated in the reports, are kept strictly confidential. The ARC is responsible for oversight and monitoring of whistleblowing, and periodically reviews these arrangements. All reportable incidents are reviewed at each ARC meeting to ensure independent, thorough investigations and appropriate follow-up actions. Where required, an independent third party may be appointed to assist in the investigation. The Company is committed in ensuring that no person should suffer reprisal or unfair treatment as a result of reporting a genuine concern made in good faith, even if they turn out to be mistaken.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospect.

Provisions 11.1 and 11.4 – Shareholders' Participation and Voting at General Meetings

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information and endeavours to maintain full and adequate disclosure of material event and matters concerning its business, in a timely, fair and transparent manner. Other than the routine announcements made in accordance with the requirements of the Catalist Rules, the Company has issued additional announcements to update Shareholders on the activities of the Company and the Group in FY2022.

The Company does not practise selective disclosure. Trade and materially price-sensitive information is first publicly released via SGXNet before the Company meets with or disseminates such information to any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulation and rules). With the introduction of the new risk-based approach by Singapore Exchange Regulation ("**SGX RegCo**") in February 2020, the Company had released an announcement on 29 March 2021 to the SGX-ST in relation to the Company's decision on the cessation of quarterly reporting of financial results. The Company's corporate information as well as the annual report are accessible on the Company's website and SGXNet.

All Shareholders will receive the Company's annual report and notice of AGM together with the explanatory notes and/or a circular on items of special business on a timely basis on accordance with the legal requirements. Due to COVID-19 pandemic situation, the Company had made references and act in accordance with the relevant legislation/regulations in relation to the conduct of its AGM such as the COVID-19 (Temporary Measures) Act 2020, COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holdings) Order 2020 ("**COVID-19 Temporary Measures Order**") and/or the prevailing statements/joint, statements issued by the Accounting and Corporate Regulatory Authority, SGX and Monetary Authority of Singapore ("**AGM Guidelines**") from time to time.

REPORT OF CORPORATE GOVERNANCE

The Company welcomes Shareholders' view pertaining to the operations and financials of the Group and ensures that Shareholders have the opportunity to participate effectively in and vote at general meetings. The principal forum for dialogue with the Shareholders remains at the AGM, during which Shareholders are provided with the opportunity and time to voice their views and raise questions to the Directors or the Management regarding the Company via various methods. These methods include submission of questions in advance of the AGM via the Company's AGM website, or via a dedicated email address, or via physical submission of questions to a dedicated office address, or at the AGM itself.

Shareholders are informed of general meetings through notices published on the SGXNet and the Company's website, electronic releases, reports and/or circular. Relevant and required information on each resolution are also provided to enable Shareholders to exercise their votes on an informed basis. In particular, for resolutions on the election or re-election of Directors, sufficient information is provided on their background, contributions along with their Board and Board Committee positions so that Shareholders may properly assess the candidacy of such Directors.

Conduct of general meetings

In view of the COVID-19 pandemic, the 15th Annual General Meeting ("**AGM 2022**") was convened and held by way of electronic means on 27 April 2022 pursuant to the COVID-19 Temporary Measures Order. While Shareholders were not able to attend AGM 2022 physically and participate in-person, they were able to submit questions to the Chairman of the Meeting "live" at AGM 2022 through the electronic platform for AGM 2022 and have their questions addressed at AGM 2022 itself.

The Company's forthcoming 16th Annual General Meeting in respect of FY2022 ("**AGM 2023**") to be held on 27 April 2023, will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of, or at the AGM, addressing of substantial and relevant questions prior to, or at the AGM, and voting at the AGM (i) live by the Shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on the Shareholder's behalf at the AGM, will be put in place for the AGM. To facilitate high levels of shareholder engagement, real-time electronic communication and real-time electronic voting will be conducted during the AGM for Shareholders and proxy(ies) attending the AGM via electronic means. The Company will adhere to the SGX-ST's guiding principle to allow Shareholders sufficient time from the date of the AGM Notice to raise questions and provide answers to such questions within reasonable timelines. Please refer to the Notice of the AGM 2023 of the Company, which may be accessed at the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/> and via SGXNet for more information.

The Company endeavours to communicate regularly and effectively with the Shareholders and the Board supports and encourages active Shareholders participation at AGMs. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and Management, as well as to interact with them. As and when extraordinary general meeting is convened, a circular is sent to Shareholders, containing details of the matters proposed for Shareholders' consideration and approval.

The Constitution of the Company allows members of the Company to appoint not more than two (2) proxies (proxy needs not be a member) to attend and vote on their behalf at a general meeting by submitting proxy forms within the stipulated timeline to the Company. These voting mechanisms allow for absentia voting and facilitates members to exercise their voting rights. In line with the amendments to the Act, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two (2) proxies to attend and vote on their behalf at general meetings. The proxy forms which include the instructions on voting are issued in conjunction with the notices of general meetings.

REPORT OF **CORPORATE GOVERNANCE**

Provision 11.2 – Resolutions to be tabled at General Meetings

As a matter of good order, separate resolutions are proposed at general meetings for each distinct issue unless the issues are interdependent and linked to form one significant proposal. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the relevant meeting. Shareholders in attendance are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are put to the vote. All resolutions are put to vote by poll in the presence of independent scrutineer. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast, for or against each resolution, and the respective percentages are tallied and disclosed live on-screen to the Shareholders immediately after the vote has been cast. The results are also announced via SGXNet on the same day following the conclusion of the general meeting.

Provision 11.3 – Attendance at General Meetings

The Chairman of the Board and Board Committees, Directors, CEO and the external auditors will be present and on hand to address all issues raised at the AGM, including any Shareholders' queries about the conduct of the audit and in the preparation and content of the auditors' report. A majority of the Directors will always attend the AGM and Shareholders are given the opportunity to share their thoughts and ideas or ask questions relating to matters which are the subject of the resolutions tabled. Whilst the AGM of the Company is a principal forum for dialogue and interaction with all Shareholders, the Company, will continue to rely on the COVID-19 Temporary Measures Order for the upcoming AGM. The Company would also consider other forums such as virtual analyst briefings as and when appropriate.

Provision 11.5 – Minutes of General Meetings

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meetings, and responses from the Board and Management. These minutes will be made available to the Shareholders and the public by way of announcement via SGXNet and the Company's corporate website within one month from the general meetings.

Provision 11.6 – Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and quantum of future dividends on the Company's shares that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors:

- (a) the level of the Company's cash and retained earnings;
- (b) actual and projected financial performance;
- (c) projected levels of capital expenditure and expansion plans;
- (d) working capital requirements and general financing conditions; and
- (e) restrictions on payment of dividends imposed on the Company by the relevant financing arrangements (if any).

The Board had not declared or recommended dividend payment for FY2022 as the Company wishes to conserve and deploy cash for future growth and expansion needs. The Company recognises creation of long-term stakeholders' value and having considered the stabilisation of the Company's business in the recent years, the Company would conserve cash to fund prospective investments, with an outlook of being able to recommend for dividend payment in future.

REPORT OF CORPORATE GOVERNANCE

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3 – Communication and Dialogue with Shareholders

The Company is committed to maintaining high standards of corporate disclosure and transparency, and proactively engages its Shareholders to ensure effective communication with the investment community.

In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to apprise Shareholders promptly of all pertinent information. Material information is disclosed in an adequate, accurate and timely manner via SGXNet. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Company's interactions with the investing community, a media release or announcement will be released to the public via SGXNet promptly.

Currently, the Company does not have an investor relations policy but considers advice from its continuing sponsor, corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to Shareholders. The Company will consider the appointment of a professional investor relations officer to manage this function, should the need arise. Shareholders are encouraged to visit the Company's website at www.healthwaymedical.com for information of the Company and there is also a dedicated investor relations email address (investorrelations@healthwaymedical.com) on the Company's website where the Shareholders are encouraged to write to the Company should they have any questions. The investor relations representative will respond promptly to the queries and emails requesting for information. The Company's website is a channel through which communication and engagement with stakeholders are maintained.

General Meetings are currently the principal forum for the Board's dialogue and interaction with Shareholders. Shareholders are encouraged to participate during the general meetings, to engage the Board and the Management and raise questions in relation to the Group's business activities, financial performance and other business-related matters.

The Directors (including the Chairman of the respective Board Committees) and key management personnel are in attendance to address queries and concerns about the Group. The Company's external auditors also attend annual general meetings to address Shareholders' queries relating to the conduct of the audit and the preparation and content of the external auditors' report.

(E) MANAGING STAKEHOLDERS' RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1, 13.2 and 13.3 – Managing Stakeholders' relationships

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability, and engages with key stakeholders such as patients, suppliers, employees, investors, as well as regulators, to align the Company's sustainable approach with their expectations. The Company formulates policies and activities to better understand the material topics that will affect them. Further information on how the Company identifies and engages the stakeholders and approach to material topics will be detailed in the Sustainability Report of the Company for FY2022 which will be released to the SGX-ST via SGXNet by 30 April 2023.

REPORT OF CORPORATE GOVERNANCE

APPOINTMENT OF AUDITORS (Rule 712 and Rule 715 of the Catalist Rules)

The Company confirmed that Rule 712 and Rule 715 of the Catalist Rules has been complied with.

DEALINGS IN SECURITIES (Rule 1204(19) of the Catalist Rules)

The Company has adopted internal compliance policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished trade and materially price-sensitive information and as such, the Company, its Directors and its officers are not allowed to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half-year and full year financial results, as the case may be, and ending on the date of the announcement of the relevant financial results.

Interested Person Transactions ("IPTs")

The Company has improved and adopted an IPTs policy in respect of any transactions with an interested person, which sets out the procedures for review and approval of such IPTs.

All IPTs are documented in the form of IPT registers and submitted quarterly to the ARC and the Board for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Group and minority shareholders.

The Company does not have general mandate for IPTs and there were no IPTs with value more than S\$100,000 transacted during FY2022.

Non-Sponsor Fees

There was no non-sponsor fee paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2022.

Material Contracts and Loans

Material Contracts and Loans pursuant to Rule 1204(8) of the Catalist Rules, save for the leases entered into with Alkas Realty Pte. Ltd. ("**Alkas**") on 30 November 2017 and 3 December 2018, as announced by the Company on the respective dates. Save as disclosed herein, the Company confirmed that there were no other material contracts and loans of the Company and its subsidiaries involving the interests of CEO, any Director or controlling shareholder of the Company, either still subsisting at the end of FY2022 or if not then subsisting, which were entered into since the end of the previous financial year.

The tenure of the abovementioned leases with Alkas that are still subsisting in FY2022 are as follows:

- Master Lease Agreement signed on 30 November 2017 in relation to the lease of the Company's corporate office located at #10-09 and #10-09A at 6 Shenton Way, OUE Downtown 2, Singapore 068809 ("**OUE Downtown 2**") (for a period of thirty-six (36) months commenced on 1 August 2017 and expiring on 31 July 2020). Alkas had subsequently sold OUE Downtown 2 to DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**")) ("**DBS Trustee**"), which the sale was completed on 1 November 2018. In connection thereto, Alkas had entered into a Deed of Assignment with DBS Trustee on 1 November 2018 ("**Deed**") to assign all its rights, benefits and covenants under the Master Lease Agreement to DBS Trustee. Dr Stephen Riady remains as a controlling unitholder of OUE C-REIT before and after the execution of the Deed and therefore, has an interest in the Deed.

REPORT OF CORPORATE GOVERNANCE

- Further to the above Deed, a Letter of Offer was accepted on 30 July 2020 to renew the lease agreement between the Company and DBS Trustee in respect of OUE Downtown 2 for a period of three (3) years from 1 August 2020 to 31 July 2023 (“**Term**”) and the Term comprised a rebate on the rent and service charge payable for OUE Downtown 2 for one (1) month between 1 July 2023 to 31 July 2023. The Company had released the relevant announcement to the SGX-ST via SGXNet on 30 July 2020.
- Letters of Offer accepted on 4 December 2018 for leasing of premises located at #02-15 of 6A Shenton Way, Downtown Gallery, Singapore 068815 (for a period of five (5) years commenced on 4 May 2019 and expiring on 3 May 2024); and #03-11/12/13 of 6A Shenton Way, Downtown Gallery, Singapore 068815 (for a period of five (5) years commenced on 4 May 2019 and expiring on 3 May 2024).

Use of Proceeds

Tranche 2 of Convertible Notes (“T2 CN B”)

On 21 April 2017, the Company raised S\$59.8 million (after deducting estimated expenses of S\$0.2 million) from the issuance of T2 CN B (“**T2 CN B Net Proceeds**”). On 29 December 2017, the Company announced certain reallocation of the T2 CN B Net Proceeds and subsequent thereto, the Company had regrouped the initial intended 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 the date of this annual report, the T2 CN B 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 3 April 2023 (S\$ million)	Amount Unutilised as at 3 April 2023 (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	19.05	0.95
Total	59.80	54.91	4.89

⁽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 via SGX-ST on 2 July 2019.

SUSTAINABILITY REPORTING

The Company has published its sustainability report (“**SR**”) since the financial year ended 31 December 2017 and such reports are made available to Shareholders on the SGXNet and the Company’s website.

As this is the sixth year of our sustainability reporting, we continue to report on the activities, data and information, where applicable as with our inaugural SR. The financial year of reporting for the sixth year SR falls within the financial year ended 31 December 2022 and would include data and information from 1 January 2022 to 31 December 2022. We continue to increase our efforts to improve on our report to supplement financial information giving the requisite of “descriptive and quantitative information on how business is conducted” and how environmental, social and governance factors (“**ESG**”) are managed for sustainability into the future, in compliance with the Catalist Rules and Sustainability Reporting Guide. We aim to consistently enhance our approach in the communication and management of ESG factors arising from our business operations and build on the sustainability efforts integrated into our operations. Further information on our overall sustainability performance, including how we engage our stakeholders and approach to material topics will be detailed in our SR FY2022, which will be released and be available at the Company’s website and on the SGXNet by 30 April 2023.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Rules of Catalist**”), the information relating to Mr Chen Yeow Sin, Ms Aliza Knox and Dr Khor Chin Kee as set out in Appendix 7F of the Rules of Catalist is set out below:

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
Date of Appointment	21 July 2017	6 November 2020	1 July 2022
Date of last re-appointment	6 July 2020	26 April 2021	N/A
Age	60	62	60
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board considered the Nominating Committee’s recommendation and assessment of Mr Chen’s qualifications, expertise, experience, contributions and commitment in the discharge of his duties as the Lead Independent Director of the Company as well as the overall size, composition and diversity of skillsets and gender of the Board, and is satisfied that Mr Chen will continue to contribute meaningfully to complement the diversity of the Board.	The Board considered the Nominating Committee’s recommendation and assessment of Ms Knox’s qualifications, expertise, experience, contributions and commitment in the discharge of her duties as an Independent Director of the Company as well as the overall size, composition and diversity of skillsets and gender of the Board, and is satisfied that Ms Knox will continue to contribute meaningfully to complement the diversity of the Board.	The Board considered the Nominating Committee’s recommendation and assessment of Dr Khor’s qualifications, expertise, experience, contributions and commitment in the discharge of his duties as a Non-Independent Non-Executive Director of the Company as well as the overall size, composition and diversity of skillsets and gender of the Board, and is satisfied that Dr Khor will continue to contribute meaningfully to complement the diversity of the Board.
Whether appointment is executive, and if so, the area of responsibility	No. Mr Chen continues to be an Independent Director of the Company.	No. Ms Knox continues to be an Independent Director of the Company.	No. Dr Khor continues to be a Non-Independent Non-Executive Director of the Company.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit and Risk Committee and the Nominating Committee, and a member of the Remuneration Committee.	Independent Director and a member of (i) Audit and Risk Committee, (ii) Nominating Committee and (iii) Remuneration Committee.	Non-Independent Non-Executive Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
Professional qualifications	<ul style="list-style-type: none"> Bachelor of Science (Honours) Degree, University of London Fellow Singapore Chartered Accountant Fellow Chartered Accountants in England and Wales 	<ul style="list-style-type: none"> Master of Business Administration in Marketing, The New York University Leonard N. Stern School of Business, United States of America (<i>Distinction</i>) Bachelor of Arts in Applied Math and Economics, Brown University, United States of America (<i>Magna Cum Laude, Phi Beta Kappa</i>) 	Degrees of Bachelor of Medicine and Bachelor of Surgery, The National University of Singapore
Working experience and occupation(s) during the past 10 years	2012 to Present Managing Director, One Partnership PAC	<p>January 2021 to Present Non-Executive Director roles:</p> <ul style="list-style-type: none"> Tyro Payments Limited Health Metrics Pty Ltd Azentio Software Private Limited <p>January 2018 to January 2021 Head of Asia Pacific, Cloudflare, Pte. Ltd.</p> <p>April 2017 – September 2017 Chief Operating Officer, Unlocked Media Singapore Pte. Ltd. (Dissolved – Members’ Voluntary Winding Up)/Unlocked Australia</p> <p>November 2012 – April 2017 Twitter Asia Pacific Pte. Ltd.</p> <ul style="list-style-type: none"> Vice President, APAC (November 2016 – April 2017) Vice President, Online Sales APAC & LATAM (September 2015 – October 2016) Managing Director, Online Sales APAC & LATAM (October 2014 – August 2015) Managing Director, Online Sales APAC (November 2012 – September 2014) 	<p>1 July 2022 to Present Non-Independent Non-Executive Director, Healthway Medical Corporation Limited</p> <p>1 June 2018 – 30 June 2022 Chief Executive Officer, Healthway Medical Corporation Limited</p> <p>1 June 2018 – Present Advisor, FWD Singapore</p> <p>November 2017 – 31 May 2018 Senior Medical Advisor, Healthway Medical Corporation Limited</p> <p>2016 – 31 May 2018 Medical Director, FWD Singapore</p> <p>2013 – 2015 Chief Executive Officer, Parkway Shenton Ltd</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
Shareholding interest in the listed issuer and its subsidiaries	No	No	Direct interest of 2,000,000 shares and deemed interest of 10,260 shares held by his wife, Dr Chong Bick Yew
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	Yes Ms Knox's spouse, Mr Linton Atlas, holds an interest in a special purpose vehicle, via Golden Gate Ventures ("GGV") and GGV holds a less than 1% interest in PT Sumo Teknologi Solusi ("PT Sumo") which develops Alodoktor, a tele-medicine platform based in Indonesia, and it is not involved in the operations of medical clinics unlike the Company. Notwithstanding the above, Mr Atlas is a passive angel investor in Alodoktor and is not involved in the operations or management of PT Sumo. He is also not a director of these companies and have no access to confidential information of Alodoktor.	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
Other Principal Commitments ¹ including Directorships			
Past (for the last 5 years)	<p><u>Non-Executive Roles and Directorships</u></p> <ul style="list-style-type: none"> • High Bridge Champion Pte. Limited • Vnnet Holdings Pte. Ltd. • Three Oceans Pte. Ltd. • Mckenzie Inter Trade Pte. Ltd. • Rim Lae Engineering Pte. Ltd. • Cre Eight Tech Pte. Ltd. • Cardio Asia Pte. Ltd. • Island Advisors Pte. Ltd. • Swan Global Pte. Ltd. • Arum Organics Pte. Ltd. • Copro Globals Pte. Ltd. • Shin Nippon Biomedical, Singapore Branch • Uniplas Corporation, Singapore Branch 	<p><u>Principal Commitments including Directorships</u></p> <ul style="list-style-type: none"> • Independent Director, Grant Thornton International, United Kingdom • Head of Asia Pacific, Cloudflare, Pte. Ltd. • Independent Director, Scentre Group (Westfield), Australia • Independent Director, Singapore Post Limited 	<p><u>Principal Commitments including Directorships</u></p> <ul style="list-style-type: none"> • Claas Medical Centre Pte. Ltd. • BCNG Holdings Pte. Ltd. • Without Borders Pte. Ltd. • Healthway Dental Pte. Ltd. • Healthway Medical Group Pte Ltd • Healthway Medical Enterprises Pte Ltd • Island Orthopaedic Consultants Pte Ltd • Vista Medicare Pte. Ltd. • Silver Cross Healthcare Pte Ltd • Unimedica Pte. Ltd. • EBH Capital Pte. Ltd. • SBCC Clinic Pte Ltd • SBCC Women's Clinic Pte. Ltd. • The Clinic @ One George Street Pte. Ltd. • The Clinic @ Campus Pte. Ltd. • The Clinic @ Fusionopolis Pte. Ltd. • The Clinic @ Aperia Pte. Ltd. • The Clinic @ Capitagreen Pte. Ltd. • The Clinic @ Business City Pte. Ltd. • The Clinic @ Tai Seng Pte. Ltd. • The Clinic @ Marina One Pte. Ltd. • The Clinic @ HF Pte. Ltd. • Aaron Dentalcare Pte. Ltd. • Aaron CTP Dental Surgery Pte. Ltd.

¹ "Principal Commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
			<ul style="list-style-type: none"> • Aaron Seow International Pte Ltd • Universal Dentalcare Pte Ltd • Universal Dental Group (Braddell) Pte. Ltd. • Universal Dental Group (Woodlands) Pte. Ltd. • Popular Dental (Woodlands) Pte. Ltd. • China Healthway Pte. Ltd. • China Unimedic Pte. Ltd. • Crane Medical Pte. Ltd. • Thomson Paediatric Clinic Pte Ltd • Mednefits Pte. Ltd. • Mednefits Singapore Pte. Ltd. • Mednefits Holdings Pte. Ltd.
Present	<u>Principal Commitments including Directorships</u> <ul style="list-style-type: none"> • One Consulting Group Pte. Ltd. • One Financial Advisory Services Pte. Ltd. • One e-Risk Services Pte. Ltd. • One Tax Services Pte. Ltd. • One Outsource Services Pte. Ltd. • One Partnership PAC (Managing Director) 	<u>Directorships</u> <ul style="list-style-type: none"> • Tyro Payments Limited • Health Metrics Pty Ltd • Azentio Software Private Limited • CX Holdco Pty Ltd 	<u>Directorships</u> UCare.IO Pte. Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	<p style="text-align: center;">Yes</p> <p>Ms Knox was the Chief Operation Officer of Unlockd Australia, an Australian-based start-up between April – September 2017. The company filed for bankruptcy in New York in October 2018 because the business model is not viable. Unlockd Media Singapore Pte. Ltd. was also dissolved under a member’s voluntary winding up.</p>	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of the followings in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
		<p>Ms Knox was an Independent Non-Executive Director of SGX-listed Singapore Post Limited (“SingPost”) from 30 August 2013 to 11 July 2018 (“Directorship”). During Ms Knox’s Directorship, SingPost underwent a special audit and corporate governance review, and the company was publicly reprimanded by the SGX for breaches of certain listing rules (please refer to SingPost’s announcement dated 4 May 2017) in relation to the non-disclosure of conflict of interest in a transaction by Keith Tan Ah Kee, a former Independent Non-Executive Director of SingPost.</p> <p>SingPost’s lawyer confirmed SingPost’s compliance with the SGX’s requirement (that is, to provide independent confirmation on the implementation of the recommendations as set out in the executive summary of the special audit report) on 29 December 2016.</p> <p>The SGX referred the case to the relevant authorities. To date, Ms Knox has not been contacted by any relevant authorities in relation to, nor know the status of, this case.</p>	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	<p style="text-align: center;">Yes</p> <p>Mr Chen Yeow Sin has been an Independent Director of Healthway Medical Corporation (the “Company”) since 21 July 2017.</p>	No	<p style="text-align: center;">Yes</p> <p>Dr Khor was the Chief Executive Officer of Healthway Medical Corporation Limited (the “Company”) from 1 June 2018 to 30 June 2022.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
	<p>The Company had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd., in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in the Company's annual report for the financial year ended 31 December 2019 ("AR 2019") pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced on the SGXNet on 22 June 2020.</p>		<p>The Company had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd., in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in the Company's annual report for the financial year ended 31 December 2019 ("AR 2019") pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR2019 announced on the SGXNet on 22 June 2020.</p>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.	N.A.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR CHEN YEOW SIN	MS ALIZA KNOX	DR KHOR CHIN KEE
If YES, please provide details of prior experience	N.A.	N.A.	N.A.
If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.



DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Healthway Medical Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the balance sheet of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Sin Boon Ann
Abram Melkyzedeck Suhardiman
Dr Stephen Riady
Anand Kumar
Dr Khor Chin Kee (Appointed 1 July 2022)
Chen Yeow Sin
Aliza Knox

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Healthway Medical Corporation Limited				
Ordinary shares				
Dr Stephen Riady ⁽¹⁾	–	–	1,848,641,265	1,848,641,265
Abram Melkyzedeck Suhardiman ⁽²⁾	68,918,900	68,918,900	–	–
Dr Khor Chin Kee ⁽³⁾	2,000,000	2,000,000	10,260	10,260

⁽¹⁾ Dr Stephen Riady ("**Dr Riady**") holds all the shares in Lippo Capital Group Limited ("**LCG**"), which is the holding company of Lippo Capital Holdings Company Limited ("**LCH**"). LCH is the holding company of Lippo Capital Limited ("**Lippo Capital**"). Lippo Capital has a deemed interest in 1,848,641,265 ordinary shares in the Company ("**Shares**"). Accordingly, Dr Riady has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of Gentle Care Pte. Ltd. ("**GC**") and Continental Equity Inc. ("**CEI**"). GC has a direct interest in 1,594,776,083 Shares. CEI has an interest in 126,951,300 Shares held through OCBC Securities Private Limited (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Nominees Singapore Pte Ltd for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, Dr Riady has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.

⁽²⁾ Abram Melkyzedeck Suhardiman ("**Mr Suhardiman**") holds 42,179,700 Shares through his Central Depository ("**CDP**") account and 26,739,200 Shares through Philip Securities Pte Ltd (acting as nominee for Mr Suhardiman).

⁽³⁾ Dr Khor Chin Kee ("**Dr Khor**") holds 2,000,000 Shares through his Central Depository ("**CDP**") account and has a deemed interest in 10,260 Shares held by his spouse.

The directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Options and performance shares

At the Extraordinary General Meeting held on 26 April 2019, shareholders approved the Healthway Medical Performance Share Plan (the "**Performance Share Plan**") that gives the rights to grant awards to full time employees of the Group at the absolute discretion of the Remuneration Committee (the "**RC**").

The RC, comprising Messrs Sin Boon Ann (Chairman), Chen Yeow Sin and Aliza Knox, is responsible for administering the Performance Share Plan.

Performance Share Plan

The Performance Share Plan applies to all full-time employees (including the Executive Directors) of the Group, including those who may be Controlling Shareholders and their Associates, who are key employees or are in key management position and have attained the age of 21 years and above on or before the relevant date of grant of the Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

The awards granted under the Performance Share Plan are conditional on Performance Targets set based on factors including but not limited to the Group's business goals and directions for each financial year, the participant's job scope and responsibilities, and the prevailing market and economic conditions. The Performance Share Plan contemplates the award of fully-paid shares to participants after certain pre-determined benchmarks have been met. Awards are released once the RC is satisfied that the prescribed target(s) have been achieved.

Performance shares granted/vested

<u>Date of grant of performance shares</u>	<u>Performance shares outstanding at 1 January 2022</u>	<u>Vested</u>	<u>Performance shares outstanding at 31 December 2022</u>
27/03/2020	8,115,000	(8,115,000)	–

There were no performance shares granted to directors and controlling shareholders (or their associates) and key executives of the Company from the commencement of the Performance Share Plan to the end of the financial year. In addition, no individual has been granted 5% or more of the total number of shares to be comprised in the awards available under the Performance Share Plan, from the commencement of the Performance Share Plan to the end of the financial year.

Options granted/exercised

No options were granted during the financial year to subscribe for unissued shares of the Company or its related corporations.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its related corporations.

There were no unissued shares of the Company or its related corporations under option at the end of the financial year.

DIRECTORS' STATEMENT

Audit and Risk Committee ("ARC")

The members of the ARC at the end of the financial year were as follows:

Chen Yeow Sin (Chairman)
Sin Boon Ann
Aliza Knox

All members of the ARC are independent directors.

The ARC carried out its functions in accordance with Section 201B(5) of the Act.

The ARC held four (4) meetings during the financial year. In performing its functions, the ARC had met with the Company's internal and external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system on the balance sheet of the Company and the consolidated financial statements of the Group.

The ARC reviewed the quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption. The ARC also reviewed interested person transactions (as defined in Chapter 9 of the Rules of Catalyst) transacted during the financial year.

The ARC has full access to and the co-operation of the management of the Company for it to discharge its functions.

The external and internal auditors had unrestricted access to the ARC. The ARC is satisfied with the independence and objectivity of the external auditors.

The ARC has recommended to the Board that the independent auditor, Ernst & Young LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Ernst & Young LLP has expressed its willingness to accept re-appointment.

On behalf of the board of directors:

Chen Yeow Sin
Director

Anand Kumar
Director

Singapore
3 April 2023

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Healthway Medical Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Healthway Medical Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Purchase price allocation for the acquisition of subsidiaries

During the financial year ended 31 December 2022, a subsidiary of the Company, Unimedic Pte Ltd ("**Unimedic**"), entered into Sale and Purchase Agreements ("**SPA**") with external parties to acquire the following subsidiaries:

- 50.1% equity interest in Ascension Therapy Grp Pte. Ltd. ("**ATG**")
- 70.0% equity interest in Ten Surgery Group Pte. Ltd. ("**TEN**")

Unimedic paid a total purchase consideration of \$1.2 million and \$6.4 million for the acquisition of ATG and TEN respectively.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Healthway Medical Corporation Limited

Key audit matters (Continued)

Purchase price allocation for the acquisition of subsidiaries (Continued)

The acquisitions of the subsidiaries were accounted for using the acquisition method. Given the quantitative materiality of the acquisition and significant management judgement required in the purchase price allocation ("PPA") exercise, we determined this to be a key audit matter.

Management engaged an external valuation expert to assist them with the PPA exercise to value the identifiable assets and liabilities acquired as part of the acquisition.

The acquisition of the ATG and TEN resulted in the recognition of goodwill amounting to \$0.8 million and \$5.6 million respectively.

In response to these areas of focus, we performed the following procedures, amongst others:

- reviewed the sale and purchase agreements to obtain an understanding of the transaction and the key terms;
- reviewed the scope of work of the external valuation expert engaged by the management;
- assessed the competency, objectivity and capabilities of the external valuation expert;
- tested the identification and fair value measurement of the acquired assets and liabilities based on our discussion with management and our understanding of the acquired companies;
- involved our internal valuation specialists to assist us in evaluating the identification of any intangible assets performed by the external valuation expert and management; and
- involved our internal valuation specialists to assist us in assessing the reasonableness of the methodology and assumptions used in the PPA exercise by the external valuation expert and management.

The Group's disclosures relating to the acquisition of subsidiaries are included in Note 25 to the financial statements.

Impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries

As at 31 December 2022, the goodwill and brand names with indefinite useful lives were carried at \$155.3 million (2021: \$148.9 million), which represent 80.6% (2021: 84.5%) of the Group's total non-current assets and 77.1% (2021: 78.9%) of total equity. Management allocated goodwill and brand names with indefinite useful lives to the respective cash-generating units ("CGUs") as disclosed in Note 15 to the financial statements. The recoverable amounts of the identified CGUs have been determined based on value-in-use ("VIU") calculations. As at 31 December 2022, the Company's investment in subsidiaries amounted to \$210.6 million (2021: \$207.4 million). The subsidiaries operate clinics in Singapore. As disclosed in Note 13 to the financial statements, in consideration of the business impact from the COVID-19 pandemic and the operating performance of the Company's subsidiaries, management has performed impairment assessments for subsidiaries with indicators of impairment and determined their recoverable amounts based on value-in-use calculations.

We considered the audit of management's impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries to be a key audit matter due to the magnitude of the carrying amounts of goodwill, brand names with indefinite useful lives and investment in subsidiaries in the financial statements as at 31 December 2022. In addition, these areas were significant to our audit because the impairment assessment process involves significant management judgement coupled with the heightened level of estimation uncertainty associated with the current market and economic condition, which requires the management to make various assumptions in the underlying cash flow forecasts.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Healthway Medical Corporation Limited

Key audit matters (Continued)

Impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries (Continued)

In response to these areas of focus, we performed the following procedures, amongst others:

- obtained an understanding of management's impairment assessment process and how management has considered the impact of the COVID-19 pandemic on the underlying key assumptions;
- reviewed the robustness of management's budgeting process by comparing the actual financial results against previous projections;
- assessed the valuation method used by management and evaluated the key assumptions used in the impairment analysis, in particular the discount rates, long-term growth rates, budgeted revenue and budgeted costs;
- involved our internal valuation specialists to assist us in evaluating the reasonableness of discount rates and long-term growth rates used by comparing to relevant market data and historical trends;
- evaluated the reasonableness of budgeted revenue and budgeted costs by comparing the actual revenue and costs achieved in the past against previous projections with further consideration of management's business development plans and current market conditions as well as discussion with management to understand the rationale for the variances; and
- reviewed management's analysis of the sensitivity of the value-in-use calculations to reasonably possible changes in the key assumptions.

The Group's disclosures relating to goodwill, brand names with indefinite useful lives and investments in subsidiaries are included in Notes 15 and 13 to the financial statements respectively.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Healthway Medical Corporation Limited

Responsibilities of management and directors for the financial statements (Continued)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Healthway Medical Corporation Limited

Auditor's responsibilities for the audit of the financial statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Philip Ng Weng Kwai.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore
3 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	159,891	139,922
Other income	5	3,165	3,378
Expenses by nature			
– Medical supplies, consumables and laboratory expenses		(27,600)	(27,296)
– Staff costs	6	(93,918)	(83,306)
– Depreciation of property, plant and equipment	14	(12,106)	(10,755)
– Amortisation of intangible assets	15(b)	(599)	(135)
– Rental expenses		(121)	(196)
– Reversal of/(provision for) impairment loss on trade and other receivables – net	11	126	(78)
– Finance expenses	7	(1,753)	(839)
– Other expenses		(12,604)	(10,169)
Total expenses		<u>(148,575)</u>	<u>(132,774)</u>
Share of loss of an associate	13(b)	(300)	(300)
Profit before income tax		14,181	10,226
Income tax (expenses)/credit	8(a)	(1,878)	469
Total profit for the year		<u>12,303</u>	<u>10,695</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
– Currency translation differences arising from consolidation – net		(2)	–
Other comprehensive income for the year, net of tax		<u>(2)</u>	–
Total comprehensive income for the year		<u>12,301</u>	<u>10,695</u>
Total profit for the year attributable to:			
Equity holders of the Company		12,513	10,769
Non-controlling interests		(210)	(74)
		<u>12,303</u>	<u>10,695</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Company		12,511	10,769
Non-controlling interests		(210)	(74)
		<u>12,301</u>	<u>10,695</u>
Profit per share attributable to owners of the Company (cents per share)			
Basic and diluted profit per share	9	<u>0.28</u>	<u>0.24</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS – GROUP AND COMPANY

As at 31 December 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Current assets					
Cash and bank balances	10	39,135	33,552	26,062	28,961
Trade and other receivables	11	23,853	23,382	312	338
Inventories	12	5,609	3,536	–	–
		68,597	60,470	26,374	29,299
Non-current assets					
Trade and other receivables	11	2,740	1,520	–	300
Investments in subsidiaries	13(a)	–	–	210,610	207,397
Investment in an associate	13(b)	1,130	1,430	2,108	2,108
Property, plant and equipment	14	30,532	21,724	463	983
Intangible assets	15	155,518	149,496	204	593
Derivative assets	16	964	605	–	–
Deferred income tax assets	21	1,834	1,484	79	–
		192,718	176,259	213,464	211,381
Total assets		261,315	236,729	239,838	240,680
LIABILITIES					
Current liabilities					
Trade and other payables	17	26,950	24,906	1,659	1,414
Current income tax liabilities	8(c)	2,639	613	90	141
Borrowings	18	401	910	–	–
Lease liabilities	19	9,392	7,220	395	764
		39,382	33,649	2,144	2,319
Non-current liabilities					
Trade and other payables	17	5,343	3,491	–	–
Borrowings	18	112	508	–	–
Lease liabilities	19	12,217	7,888	–	395
Provisions	20	1,999	1,645	105	105
Deferred income tax liabilities	21	947	901	–	–
		20,618	14,433	105	500
Total liabilities		60,000	48,082	2,249	2,819
NET ASSETS		201,315	188,647	237,589	237,861
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	277,630	277,433	277,630	277,433
Treasury shares	22	–	(33)	–	(33)
Other reserves	22	(4,058)	(2,918)	67	297
Accumulated losses		(73,613)	(86,152)	(40,108)	(39,836)
		199,959	188,330	237,589	237,861
Non-controlling interests		1,356	317	–	–
Total equity		201,315	188,647	237,589	237,861

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Share capital (Note 22) \$'000	Treasury shares (Note 22) \$'000	Share-based compensation reserve (Note 22) \$'000	Currency translation reserve (Note 22) \$'000	Capital reserve (Note 22) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000		Non-controlling interests \$'000	Total equity \$'000
							Equity attributable to owners of the Company, total \$'000	Non-controlling interests \$'000		
2022										
Balance at 1 January 2022	277,433	(33)	235	-	(3,153)	(86,152)	188,330	317	188,647	
Profit for the year	-	-	-	-	-	12,513	12,513	(210)	12,303	
Other comprehensive income	-	-	-	(2)	-	-	(2)	-	(2)	
Foreign currency translation differences	-	-	-	(2)	-	-	(2)	-	(2)	
Total comprehensive income for the year	-	-	-	(2)	-	12,513	12,511	(210)	12,301	
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	
Treasury shares reissued	-	33	(38)	-	5	-	-	-	-	
New shares issued	197	-	(197)	-	-	-	-	-	-	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(47)	(47)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	792	792	
Dilution of interests in subsidiaries without a change in control	-	-	-	-	(908)	26	(882)	504	(378)	
Total contributions by and distributions to owners	197	33	(235)	-	(903)	26	(882)	1,249	367	
Balance at 31 December 2022	277,630	-	-	(2)	(4,056)	(73,613)	199,959	1,356	201,315	

2022

Balance at 1 January 2022
Profit for the year
Other comprehensive income
Foreign currency translation differences
Total comprehensive income for the year
Contributions by and distributions to owners

Treasury shares reissued
New shares issued
Dividends paid to non-controlling interests
Acquisition of subsidiaries
Dilution of interests in subsidiaries without a change in control

Total contributions by and distributions to owners

Balance at 31 December 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Share capital (Note 22) \$'000	Treasury shares (Note 22) \$'000	Share-based compensation reserve (Note 22) \$'000	Currency translation reserve (Note 22) \$'000	Capital reserve (Note 22) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non-controlling interests \$'000	Total equity \$'000
2021									
Balance at 1 January 2021	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
Contributions by and distributions to owners									
Treasury shares reissued	–	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)
Balance at 31 December 2021	277,433	(33)	235	–	(3,153)	(86,152)	188,330	317	188,647

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

		Group	
	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Profit before income tax		14,181	10,226
Adjustments for:			
– Depreciation of property, plant and equipment	14	12,106	10,755
– Amortisation of intangible assets	15(b)	599	135
– (Gain)/loss on disposal of property, plant and equipment		(9)	17
– Property, plant and equipment written off		213	121
– Intangible assets written off		–	14
– Fair value gain on derivative assets	16	(342)	(224)
– (Reversal of)/provision for impairment loss on trade and other receivables – net	11	(126)	78
– Gain on disposal of clinic		–	(125)
– Finance expenses	7	1,753	839
– Interest income		(251)	(54)
– Share-based compensation expense	22	–	235
– Share of loss of an associate	13(b)	300	300
– Unrealised currency translation differences – net		(2)	–
Operating cash inflows before changes in working capital		28,422	22,317
Changes in working capital:			
– Inventories		(2,065)	(23)
– Trade and other receivables		(321)	(7,163)
– Trade and other payables		815	6,725
– Provisions		(33)	(101)
Cash flows generated from operations		26,818	21,755
Income tax paid	8(c)	(298)	(5)
Net cash flows generated from operating activities		26,520	21,750
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,890)	(1,418)
Purchase of intangible assets		(198)	(149)
Acquisition of clinics		(196)	(336)
Acquisition of subsidiaries, net of cash acquired	25	(6,435)	(3,361)
Proceeds from dilution of subsidiaries' shares		513	–
Proceeds on disposal of property, plant and equipment		131	–
Proceeds on disposal of clinic		–	125
Interest received		251	54
Net cash flows used in investing activities		(9,824)	(5,085)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	Group 2022 \$'000	2021 \$'000
Cash flows from financing activities			
Bank deposits pledged		(43)	–
Dividends paid to non-controlling interests		(47)	–
Loans from non-controlling interests		284	–
Repayment of other secured borrowings		(905)	(961)
Principal payment of lease liabilities		(9,470)	(8,780)
Interest paid		(975)	(783)
Net cash flows used in financing activities		(11,156)	(10,524)
Net increase in cash and cash equivalents		5,540	6,141
Cash and cash equivalents at the beginning of financial year		32,877	26,736
Cash and cash equivalents at the end of financial year	10	38,417	32,877

Reconciliation of liabilities arising from financing activities

	1 January 2022 \$'000	Acquisition of subsidiaries (Note 25) \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2022 \$'000
				Addition \$'000	Interest expenses \$'000	Disposal \$'000	
Other secured borrowings	1,418	–	(951)	–	46	–	513
Lease liabilities	15,108	652	(10,391)	15,656	921	(337)	21,609

	1 January 2021 \$'000	Acquisition of subsidiaries (Note 25) \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2021 \$'000
				Addition \$'000	Interest expenses \$'000	Disposal \$'000	
Other secured borrowings	2,379	–	(1,056)	–	95	–	1,418
Lease liabilities	15,427	1,227	(9,465)	7,329	685	(95)	15,108

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Healthway Medical Corporation Limited (the “**Company**”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business 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 to carry on the business of healthcare management. The principal activities of its subsidiaries and associate are set out in Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

(a) *Provision of medical services*

The Group operates clinics and provides medical services in two different business segments. The types of medical services the Group provides are disclosed in Note 29. Revenue from the provision of these medical services is recognised over time in the accounting period in which the services are rendered. Deferred income is recognised on the balance sheet when cash is collected upfront for services which have yet to be rendered. Revenue is recognised based on the fair value of the consideration received or receivable for the provision of medical services and presented at net of goods and services tax.

(b) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the term of the lease.

(c) *Interest income*

Interest income, including income arising from other financial instruments, is recognised using the effective interest method.

2.5 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Consistent accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(a) Subsidiaries (Continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.7(a) for the accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(b) Associate

An associate is an entity over which the Group has significant influence, but not control.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

Investment in associate is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associate represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate, and is included in the carrying amount of the investment.

(ii) Equity method of accounting

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise Group's share of its associate's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associate is recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associate equals to or exceeds its interest in the associate, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Please refer to the Note 2.9 for the accounting policy on the investment in an associate in the separate financial statements of the Company.

(iii) Disposals

Investment in associate is derecognised when the Group loses significant influence. If the retained equity interest in the former associates is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(c) *Non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8 on borrowing costs). The projected cost of restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold improvements	2 to 10 years
Medical equipment	5 to 10 years
Computers	1 to 3 years
Furniture, fittings and equipment	5 to 10 years
Signboards	2 to 10 years
Right-of-use assets	1 to 8 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

(b) Depreciation (Continued)

Assets in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated company include the carrying amount of goodwill relating to the entity sold.

(b) Acquired brand names

Acquired brand names with indefinite lives are initially recognised at cost and are subsequently carried at cost less accumulated impairment losses.

The useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (Continued)

(c) *Computer software, including licences*

Computer software, including licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software, including licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of one to five years and assessed for impairment whenever there is an indication that it may be impaired.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision in the expected useful life or the expected pattern of consumption of future economic benefits are recognised in profit or loss when the changes arise.

(d) *Computer software in progress*

Costs that are directly associated with identifiable and unique software products are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits beyond one year, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Software developments-in-progress is recognised at cost. Amortisation of the intangible asset begins when development is complete and the asset is available for use.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.9 Investments in subsidiaries and an associate

Investments in subsidiaries and associate are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) *Goodwill and acquired brand names*

Goodwill and acquired brand names which have indefinite useful lives, are recognised separately as an intangible asset, are tested for impairment annually and whenever there is an indication that the goodwill and acquired brand names may be impaired.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets (Continued)

(a) *Goodwill and acquired brand names (Continued)*

For the purpose of impairment testing of goodwill and acquired brand names, goodwill and acquired brand names are allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill and acquired brand names, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill and brand names allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets – Computer software, including licences Property, plant and equipment Investments in subsidiaries and an associate Right-of-use assets*

Intangible assets (computer software, including licences), property, plant and equipment, investments in subsidiaries and associate and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Group only has debt instruments at amortised cost and derivatives at FVPL.

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- Derivatives at FVPL: Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment

The Group recognises an allowance for expected credit losses (“ECLs”) associated with its debt financial assets carried at amortised cost.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and bank balances, deposits and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of the financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) the amount initially recognised, less where appropriate, the cumulative amount of income recognised over the period of the guarantee; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Leases

- (a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- (i) *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (Continued)

(a) *When the Group is the lessee: (Continued)*

(ii) *Lease liabilities*

The lease term used in the initial measurement of a lease liability is the non-cancellable period of the lease period of a lease together with both the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The initial measurement of lease liability at the commencement date of the lease is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) *Short-term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (Continued)

(a) *When the Group is the lessee: (Continued)*

(iv) *Variable lease payments*

Variable lease payments that are not based on an index or rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) *When the Group is the lessor:*

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Trade and other receivables". Any difference between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised. For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.15 Inventories

Inventories comprising pharmacy, medical and surgical supplies are measured at the lower of cost and net realisable value. The cost of inventories is determined based on the weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Allowance is made for all damaged, expired and slow-moving items.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Taxes

(a) *Current income tax*

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Taxes (Continued)

(b) *Deferred income tax*

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised for deductible temporary differences and unused tax losses. Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The Group accounts for investment tax credits similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions

Provisions for asset restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the assets or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

The provision for restoration costs relates to the estimated costs of dismantling, removing and restoring the commercial premises to its original condition at the expiration of the lease period.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee compensation (Continued)

(d) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan for certain employees. The value of the employee services received in exchange for the award of shares is recognised as an expense with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares granted on grant date.

At each balance sheet date, the Group revises its estimate of the number of shares that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve.

When the awarded shares are issued, the related balance previously recognised in the share-based compensation reserves are credited to the share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees.

2.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“**functional currency**”). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company. All information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (“**foreign currency**”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other expenses”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Currency translation (Continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and readily convertible into a known amount of cash. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital and treasury shares

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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Share capital and treasury shares (Continued)

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in capital reserve.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Government grants

Grants from government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Other than Job Support Scheme ("JSS") grants, government grants relating to income are shown separately as other income. JSS grants are deducted against staff costs.

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Use of indefinite useful lives assumption on acquired brand names*

Brand names arise from the acquisition of subsidiaries. In the assessment of the useful lives of the brand names, management has performed an analysis on the relevant factors including the strength and durability of the brands in the industry. Management has also considered the Group's market share, stability and profitability of the market sectors that are of similar risk profiles that the brands relate to, and concluded that the risk of market-related factors causing a reduction in the useful lives of the brand names is relatively low. The Group is not aware of any material legal, regulatory, contractual, competitive, economic or other factors which could limit the brand names' useful lives.

Based on the above mentioned factors, Management has applied its judgement in concluding that there is no foreseeable limit to the period over which the brand names are expected to generate net cash inflows for the Group and hence, brand names are not amortised.

The useful lives of the brand names are reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

(b) *Determination of purchase price allocation*

During the financial year, the Group acquired subsidiaries for a total consideration of \$7,642,000 (2021: \$3,698,000).

SFRS(I) 3 *Business Combinations* requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill. The assets, liabilities and contingent liabilities were identified and valued through a purchase price allocation ("**PPA**"). A significant degree of judgement is required in the PPA in identifying all intangible assets and determining the fair values of all identifiable assets acquired and liabilities assumed as at the date of acquisition. As such, management engaged an external professional firm to perform the PPA.

In assessing the fair value of all identifiable assets and liabilities, recent market transactions for identical assets and liabilities are considered, if available. If no such transactions can be identified, internal information that is consistent with what market participants will assume as at the measurement date is used. The key assumptions applied in the determination of the purchase price allocation are disclosed and further explained in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment assessment of goodwill and acquired brand names with indefinite useful lives*

Goodwill and acquired brand names with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

The recoverable amounts of each cash generating unit (“CGU”) to which goodwill and acquired brand names with indefinite useful lives belong to, have been determined based on value-in-use calculations. The determination of the recoverable amounts requires significant estimation by management, particularly management’s view of key internal inputs and external market conditions which impacts (1) the forecasted revenue growth rates and (2) the determination of the discount rate and terminal growth rate which are key assumptions underlying the estimate of the future cash flows and deriving the recoverable amounts. Management has also considered its past performance in developing its estimates.

The key assumptions applied in the determination of the value-in-use including a sensitivity analysis, are disclosed and further explained in Note 15 to the financial statements.

The carrying amount of goodwill and brand names with indefinite useful lives as at 31 December 2022 is \$155,301,000 (2021: \$148,878,000).

(b) *Impairment assessment of the Company’s investments in subsidiaries*

The Company assesses at the end of each reporting period whether there are indicators that its investments in subsidiaries are impaired. The recoverable amount is determined by an estimation of the value in use of the subsidiaries. The Company evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

The key assumptions applied in the determination of the value-in-use are as disclosed in Note 3.2(a) above.

The carrying amount of the Company’s investments in subsidiaries as at 31 December 2022 is \$210,610,000 (2021: \$207,397,000).

(c) *Fair value of derivatives*

The Group carries its derivatives at fair value, with changes in fair value recognised in profit or loss. The Group engaged an independent valuation expert to assess the fair value using a valuation model. The key assumptions applied in the determination of the fair value are disclosed and further explained in Note 16 to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

4. REVENUE

The Group derives revenue from the provision of medical services which is recognised over time as the services are rendered.

	Group	
	2022	2021
	\$'000	\$'000
Medical services	159,891	139,922

Contract balances

	Group		
	31 December	1 January	
	2022	2021	2021
	\$'000	\$'000	\$'000
Trade receivables (Note 11)	22,106	20,680	12,659
Deferred income (Note 17)	793	345	485

Deferred income relates to the Group's obligation to provide fixed-price medical services to customers for which the Group has received advances from customers. Deferred income is recognised as revenue in the accounting period in which the services are rendered.

Revenue recognised in relation to deferred income:

	Group	
	2022	2021
	\$'000	\$'000
Revenue recognised in current period that was included in deferred income at the beginning of the period		
– Medical services	241	433

5. OTHER INCOME

	Group	
	2022	2021
	\$'000	\$'000
Interest income	235	29
Government grant income	1,571	2,057
Finance income on net investment in the sublease (Note 11)	16	25
Rental income	294	222
Fair value gain on derivative assets (Note 16)	342	224
Others	707	821
	3,165	3,378

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. STAFF COSTS

	Group	
	2022	2021
	\$'000	\$'000
Wages and salaries	88,985	78,845
Employer's contribution to defined contribution plans including Central Provident Fund	4,933	4,226
Share-based compensation expenses	-	235
	93,918	83,306

Share-based compensation

On 27 March 2020, the Company had granted share awards to the eligible participants under the Performance Share Plan which was approved by the shareholders of the Company on 26 April 2019. A total of 24,344,800 ordinary shares were granted at \$0.029 per share, which approximated the fair value of the shares on the date of grant. The share awards will vest in three equal tranches on the date of grant, first anniversary and second anniversary from the date of grant when the Performance Targets are achieved, subjected to approval by the Remuneration Committee. There is no vesting period beyond the performance periods. There has been no cancellation or modification to the Performance Share Plan during the year.

During the financial year ended 31 December 2022, the Performance Share Plan has fully vested and issued to eligible participants.

7. FINANCE EXPENSES

	Group	
	2022	2021
	\$'000	\$'000
Interest expenses:		
– Other secured borrowings	46	95
– Lease liabilities	921	685
– Interest expense on other payables to non-controlling interests	779	41
– Others	7	18
	1,753	839

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

8. INCOME TAXES(a) **Income tax expenses/(credit)**

	Group	
	2022	2021
	\$'000	\$'000
<i>Current income tax</i>		
– Current income tax charge	2,283	578
– Over provision in respect of prior years	(93)	–
	2,190	578
<i>Deferred income tax</i>		
– Origination and reversal of temporary differences (Note 21)	(312)	(1,047)
	1,878	(469)

(b) **Relationship between tax expenses/(credit) and accounting profit**

A reconciliation of the tax expenses/(credit) and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Profit before income tax	14,181	10,226
Tax calculated at tax rate of 17% (2021: 17%)	2,411	1,738
Effects of:		
– over provision in respect of prior years	(93)	–
– expenses not deductible for tax purposes	491	232
– income not subject to tax	(48)	(341)
– tax losses not recognised	167	–
– utilisation of tax losses and temporary differences previously not recognised	(95)	(446)
– income tax relief	(110)	(87)
– recognition of tax losses and temporary differences previously not recognised	(933)	(1,683)
– deferred tax assets arising from temporary differences not recognised	88	118
Income tax expenses/(credit)	1,878	(469)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. INCOME TAXES (CONTINUED)

(c) *Movement in current income tax liabilities*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning of financial year	613	29	141	–
Acquisition of subsidiaries (Note 25)	134	11	–	–
Income tax paid	(298)	(5)	(141)	–
Current income tax charge	2,190	578	90	141
End of financial year	2,639	613	90	141

9. PROFIT PER SHARE

Basic profit per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (\$'000)	12,513	10,769
Weighted average number of ordinary shares outstanding for basic profit per share ('000)	4,533,637	4,525,522
Weighted average number of ordinary shares outstanding for diluted profit per share ('000)	4,535,571	4,533,637
Basic and diluted profit per share (cents per share)	0.28	0.24

10. CASH AND BANK BALANCES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	21,408	15,747	8,734	11,780
Short-term bank deposits	17,727	17,805	17,328	17,181
	39,135	33,552	26,062	28,961

The bank deposits of the Group include \$718,000 pledged as security for a certain banker's guarantee (2021: \$675,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10. CASH AND BANK BALANCES (CONTINUED)

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

	Group	
	2022 \$'000	2021 \$'000
Cash and bank balances (as above)	39,135	33,552
Less: Bank deposits pledged as security	(718)	(675)
Cash and cash equivalents per consolidated statement of cash flows	<u>38,417</u>	<u>32,877</u>

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Trade receivables	25,243	24,166	-	-
Less: Allowance for impairment loss	(3,137)	(3,486)	-	-
Net trade receivables	<u>22,106</u>	<u>20,680</u>	<u>-</u>	<u>-</u>
Other receivables from:				
– related parties	116	318	-	3
– non-related parties	393	82	76	4
Less: Allowance for impairment loss	(81)	-	-	-
	<u>428</u>	<u>400</u>	<u>76</u>	<u>7</u>
Finance lease receivables	40	269	-	254
Deposits	703	1,394	182	8
Prepayments	576	639	54	69
	<u>23,853</u>	<u>23,382</u>	<u>312</u>	<u>338</u>
Non-current				
Finance lease receivables	57	132	-	132
Deposits	2,683	1,388	-	168
	<u>2,740</u>	<u>1,520</u>	<u>-</u>	<u>300</u>

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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning of financial year	3,486	9,009	-	4,527
Acquisition of subsidiaries (Note 25(b))	13	22	-	-
(Reversal of)/provision for impairment loss	(126)	78	-	-
Utilised	(155)	(5,623)	-	(4,527)
End of financial year	3,218	3,486	-	-

(a) *Finance lease receivables*

Finance lease receivables relate to subleases which were classified as finance lease, as disclosed in Note 14. Finance income on the net investment in sublease during the financial year is \$16,000 (2021: \$25,000).

The fair values of non-current finance lease receivables approximate their carrying amounts and are computed based on cash flows discounted at market borrowing rates of 4.5% (2021: 4.5%). The fair values are within level 2 of the fair value hierarchy.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Less than one year	44	282	-	267
Between one to two years	58	133	-	133
	102	415	-	400
Less: Unearned finance income	(5)	(14)	-	(14)
Net investment in finance leases	97	401	-	386
Current	40	269	-	254
Non-current	57	132	-	132
	97	401	-	386

12. INVENTORIES

At cost	Group	
	2022 \$'000	2021 \$'000
Pharmacy, medical and surgical supplies	5,609	3,536

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE(a) *Investments in subsidiaries*

	Company	
	2022	2021
	\$'000	\$'000
Equity investments at cost	37,343	37,343
Amounts due from subsidiaries (non-trade)	221,027	217,814
Less: Allowance for impairment loss	(47,760)	(47,760)
	210,610	207,397

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable at the discretion of the subsidiaries, only when the cash flows of the subsidiaries permit. As these amounts are, in substance, a part of the Company's net investments in these subsidiaries, they are stated at cost less accumulated impairment loss.

As at 31 December, the Group had the following subsidiaries:

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			2022	2021
			%	%
<i>Held by the Company</i>				
Healthway Medical Group Pte Ltd ⁽¹⁾	Practice of general medical practitioners	Singapore	100	100
Unimedica Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Vista Medicare Pte. Ltd. ⁽²⁾	Provision of managed healthcare	Singapore	100	100
<i>Held by Healthway Medical Group Pte Ltd</i>				
Healthway Medical Enterprises Pte Ltd ⁽¹⁾	Provision of medical services and sale of drugs and medical supplies	Singapore	100	100
EBH Capital Pte. Ltd. ⁽²⁾	Investment holding	Singapore	51	51
The Clinic @ Tai Seng Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	20.8	20.8
The Clinic @ Campus Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	20.8	20.8

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)

(a) *Investments in subsidiaries (Continued)*

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2022 %	2021 %
Held by Unimed Pte. Ltd.				
Island Orthopaedic Consultants Pte Ltd ⁽¹⁾	Provision of orthopaedic services and operation of medical clinics	Singapore	100	100
SBCC Clinic Pte Ltd ⁽¹⁾	Provision of paediatric services and operation of medical clinics	Singapore	100	100
Silver Cross Healthcare Pte Ltd ⁽¹⁾	Practice of general medical practitioners	Singapore	100	100
Healthway Dental Pte. Ltd. ⁽²⁾	Practice of dental surgery and operation of dental clinics	Singapore	60	100
Straits Podiatry Pte. Ltd. ⁽⁵⁾	Provision of podiatry services	Singapore	52	–
Ten Surgery Group Pte. Ltd. ⁽⁶⁾	Provision of general surgery services	Singapore	70	–
Ascension Therapy Grp Pte. Ltd. ⁽⁶⁾	Investment holding	Singapore	50.1	–
Galen Health Pte. Ltd. ⁽⁵⁾	Development of software	Singapore	100	–
Held by EBH Capital Pte. Ltd.				
The Clinic @ Tai Seng Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	59.2	59.2
The Clinic @ Campus Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	59.2	59.2
The Clinic @ Aperia Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Business City Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Capitagreen Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)(a) *Investments in subsidiaries (Continued)*

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2022 %	2021 %
Held by EBH Capital Pte. Ltd.				
(Continued)				
The Clinic @ Fusionopolis Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Marina One Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
The Clinic @ One George Street Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
The Clinic@ HF Pte. Ltd. ⁽²⁾	Practice of general medical practitioners	Singapore	100	100
Held by SBCC Clinic Pte Ltd				
SBCC Women's Clinic Pte. Ltd. ⁽¹⁾	Provision of gynaecology services and operation of medical clinics	Singapore	100	100
Held by Ascension Therapy Grp Pte. Ltd.				
Amazing Speech Therapy Pte. Ltd. ⁽⁶⁾	Provision of allied health services	Singapore	100	–
Amazing Early Intervention Pte. Ltd. ⁽⁶⁾	Provision of allied health services	Singapore	100	–
HeadStart for Life Pte. Ltd. ⁽³⁾⁽⁶⁾	Provision of allied health services	Singapore	100	–
Telehope Speech Therapy Pte. Ltd. ⁽⁶⁾	Provision of allied health services	Singapore	50	–
Amazing Speech Therapy Sdn. Bhd. ⁽⁴⁾⁽⁶⁾	Provision of allied health services	Malaysia	70	–

⁽¹⁾ Audited by Ernst & Young LLP, Singapore⁽²⁾ Audited by Nexia Singapore PAC⁽³⁾ Audited by Stone Ray & Associates⁽⁴⁾ Audited by Philip Wong & Co⁽⁵⁾ Incorporated during the year⁽⁶⁾ Acquired during the financial year (Note 25)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)

(a) *Investments in subsidiaries (Continued)*

Dilution of interest in subsidiaries without a change in control

(i) Healthway Dental Pte. Ltd.

On 1 January 2022, Healthway Dental Pte. Ltd. ("**Healthway Dental**"), a wholly-owned subsidiary of the Company, issued new shares to its non-controlling party, diluting the Group's interest by 40% without the loss of control. The difference between the consideration and fair value is recognised directly in equity.

The following summarises the effect of the change in the Group's ownership in interest in subsidiary on the equity attributable to the owners of the Company:

	<u>\$'000</u>
Proceeds from dilution of subsidiary's shares	369
Increase in equity attributable to non-controlling interest	360
Increase in equity attributable to the owners of the Company	<u>9</u>

(ii) Straits Podiatry Pte. Ltd.

On 2 March 2022, the Company through its wholly-owned subsidiary incorporated a Singapore subsidiary known as Straits Podiatry Pte. Ltd. ("**Straits**"). The Group holds 52% equity interest in Straits, with the remaining 48% being held by the individuals who are the practitioners of the Straits' business.

The following summarises the effect of the change in the Group's ownership in interest in subsidiary on the equity attributable to the owners of the Company:

	<u>\$'000</u>
Proceeds from dilution of subsidiary's shares	144
Increase in equity attributable to non-controlling interests	<u>144</u>

(b) *Investment in an associate*

	Group		Company	
	2022	2021	2022	2021
	<u>\$'000</u>	\$'000	<u>\$'000</u>	\$'000
<i>Equity investments</i>				
Beginning of financial year	1,430	1,730	2,108	1,730
Adjustments	-	-	-	378
Share of loss of an associate	(300)	(300)	-	-
End of financial year	<u>1,130</u>	<u>1,430</u>	<u>2,108</u>	<u>2,108</u>

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)(b) *Investment in an associate (Continued)*

The associate of the Group as at 31 December is as follows:

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2022 %	2021 %
Held by the Company				
Mednefits Holdings Pte.Ltd.	Singapore	Investment holding	14.77	14.81

Mednefits Holdings Pte. Ltd. is an investment holding company with three wholly-owned subsidiaries. The principal activities of the subsidiaries are the provision of an all-in-one employee benefits platform for small and medium-sized enterprises that provides personalised healthcare coverage for employees and simplifies benefits administration for business owners and provision of corporate insurance sales to small and medium-sized enterprises. Mednefits Holdings Pte. Ltd. is considered to be an associated company as the Group can exercise significant influence through board representation.

Due to the issuance of new ordinary shares, the Company's shareholding percentage in Mednefits Holdings Pte. Ltd. decreased from 14.81% to 14.77% as at 31 December 2022 (2021: 15.68% to 14.81%).

There are no contingent liabilities relating to the Group's interest in the associate.

The summarised financial information of the associated company and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Unaudited	
	2022 \$'000	2021 \$'000
Current assets	3,029	931
Current liabilities	(5,351)	(1,222)
Non-current assets	34	33
Non-current liabilities	-	-

Summarised statement of comprehensive income

Revenue	2,788	1,301
Loss for the year	(2,031)	(2,173)
Total comprehensive income for the year	(2,031)	(2,173)

Reconciliation of summarised financial information

	Unaudited	
	2022 \$'000	2021 \$'000
Net liabilities	(2,288)	(258)
Group's equity interest	14.77%	14.81%
Group's share of net liabilities	(338)	(38)
Goodwill	1,468	1,468
Carrying value	1,130	1,430

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements \$'000	Medical equipment \$'000	Computers \$'000	Furniture, fittings and equipment \$'000	Signboards \$'000	Assets in progress \$'000	Right-of-use assets \$'000	Total \$'000
Group								
2022								
<i>Cost</i>								
Beginning of financial year	10,012	4,992	1,228	1,195	249	-	45,344	63,020
Acquisition of subsidiaries (Note 25)	276	5	15	15	-	-	588	899
Additions	2,239	1,743	862	139	48	-	15,656	20,687
Disposals/write-off	(584)	(369)	(23)	(82)	(29)	-	(25,615)	(26,702)
End of financial year	11,943	6,371	2,082	1,267	268	-	35,973	57,904
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	5,832	2,694	925	487	76	-	31,282	41,296
Depreciation charge	1,326	430	739	149	32	-	9,430	12,106
Disposals/write-off	(598)	(201)	(19)	(57)	(15)	-	(25,140)	(26,030)
End of financial year	6,560	2,923	1,645	579	93	-	15,572	27,372
Net carrying amount								
End of financial year	5,383	3,448	437	688	175	-	20,401	30,532
2021								
<i>Cost</i>								
Beginning of financial year	9,853	4,511	1,463	1,128	234	19	39,682	56,890
Acquisition of subsidiaries (Note 25)	86	1	6	6	-	-	1,192	1,291
Additions	425	601	276	140	15	-	7,329	8,786
Disposals/write-off	(352)	(121)	(530)	(85)	-	-	(2,859)	(3,947)
Reclassification	-	-	13	6	-	(19)	-	-
End of financial year	10,012	4,992	1,228	1,195	249	-	45,344	63,020
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	4,552	2,334	1,244	443	48	-	25,634	34,255
Depreciation charge	1,558	429	211	112	28	-	8,417	10,755
Disposals/write-off	(278)	(69)	(530)	(68)	-	-	(2,769)	(3,714)
End of financial year	5,832	2,694	925	487	76	-	31,282	41,296
Net carrying amount								
End of financial year	4,180	2,298	303	708	173	-	14,062	21,724

At balance sheet date, borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$1,214,000 (2021: \$1,730,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements \$'000	Computer \$'000	Furniture, fittings and equipment \$'000	Right-of-use assets \$'000	Total \$'000
Company					
2022					
<i>Cost</i>					
Beginning of financial year	832	52	17	2,838	3,739
Additions	-	3	-	132	135
Disposals/write-off	-	-	-	(1,380)	(1,380)
End of financial year	<u>832</u>	<u>55</u>	<u>17</u>	<u>1,590</u>	<u>2,494</u>
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	642	40	7	2,067	2,756
Depreciation charge	157	7	5	486	655
Disposals/write-off	-	-	-	(1,380)	(1,380)
End of financial year	<u>799</u>	<u>47</u>	<u>12</u>	<u>1,173</u>	<u>2,031</u>
Net carrying amount					
End of financial year	<u>33</u>	<u>8</u>	<u>5</u>	<u>417</u>	<u>463</u>
2021					
<i>Cost</i>					
Beginning and end of financial year	832	52	17	2,838	3,739
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	459	31	5	1,581	2,076
Depreciation charge	183	9	2	486	680
End of financial year	<u>642</u>	<u>40</u>	<u>7</u>	<u>2,067</u>	<u>2,756</u>
Net carrying amount					
End of financial year	<u>190</u>	<u>12</u>	<u>10</u>	<u>771</u>	<u>983</u>

Right-of-use ("ROU") assets

ROU assets acquired under leasing arrangements are related to commercial and office premises that are used for the Group's clinic operations and the Company's corporate headquarters respectively.

Some of these ROU assets are subleased and can be classified as either operating leases or finance lease.

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out commercial premises to third parties for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the subleases are classified as operating leases.

Income from subleasing the commercial premises recognised during the financial year 2022 was \$294,000 (2021: \$222,000) (Note 5).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use (“ROU”) assets (Continued)

Subleases – classified as operating leases (Continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2022 \$'000	2021 \$'000
Less than one year	228	210
One to two years	22	166
Two to three years	1	56
	251	432

Subleases – classified as finance leases

For some of the Group’s leasing arrangements, the Group acts as an intermediate lessor in which it subleases out commercial and office premises to third parties and a related party for monthly lease payments. Such subleases are classified as finance lease because the subleases are for a majority of or the entire remaining lease term of the head leases.

ROU assets relating to the head leases with subleases classified as finance lease is derecognised. The net investment in the subleases is recognised under “Trade and other receivables” (Note 11(a)).

15. INTANGIBLE ASSETS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Goodwill arising on consolidation (Note (a))	122,907	116,484	–	–
Brand names (Note (a))	32,394	32,394	–	–
Computer software, including licences (Note (b))	33	618	20	593
Computer software in progress (Note (c))	184	–	184	–
	155,518	149,496	204	593

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

15. INTANGIBLE ASSETS (CONTINUED)(a) *Goodwill arising from consolidation and brand names*

	Goodwill \$'000	Brand names \$'000	Total \$'000
Group			
2022			
<i>Cost</i>			
Beginning of financial year	205,940	32,394	238,334
Addition (Note 25)	6,423	–	6,423
	212,363	32,394	244,757
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	–	89,456
Net carrying amount			
End of financial year	122,907	32,394	155,301
2021			
<i>Cost</i>			
Beginning of financial year	203,031	32,394	235,425
Addition (Note 25)	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
Net carrying amount			
End of financial year	116,484	32,394	148,878

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**”).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. INTANGIBLE ASSETS (CONTINUED)

(a) *Goodwill arising from consolidation and brand names (Continued)*

Impairment test for goodwill and brand names with indefinite useful lives (Continued)

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
	Cost	Accumulated impairment losses	Brand names	
2022	\$'000	\$'000	\$'000	\$'000
<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	27,267	(6,000)	5,081	26,348
	212,363	(89,456)	32,394	155,301
2021				
<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

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 4.5% (2021: 2.0% to 6.1%) per annum for years 2023 to 2027.
- The pre-tax discount rate for each CGU included in the cash flow projections was approximately 9.6% to 9.8% (2021: 8.9% to 9.2%).
- The anticipated terminal growth rate for each CGU was approximately 1.7% (2021: 1.7%).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. INTANGIBLE ASSETS (CONTINUED)

(a) *Goodwill arising from consolidation and brand names (Continued)*

Impairment test for goodwill and brand names with indefinite useful lives (Continued)

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 2022 (2021: \$Nil).

Sensitivity analysis

An unfavourable change by 10% (2021: 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.

(b) *Computer software, including licences*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Cost</i>				
Beginning of financial year	2,409	2,055	2,201	1,833
Additions	–	119	–	93
Write-off	–	(40)	–	–
Reclassification	14	275	14	275
End of financial year	2,423	2,409	2,215	2,201
<i>Accumulated amortisation</i>				
Beginning of financial year	1,791	1,682	1,608	1,474
Write-off	–	(26)	–	–
Amortisation for the year	599	135	587	134
End of financial year	2,390	1,791	2,195	1,608
Net carrying amount				
End of financial year	33	618	20	593

(c) *Computer software in progress*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Cost</i>				
Beginning of financial year	–	245	–	245
Addition	198	30	198	30
Reclassification	(14)	(275)	(14)	(275)
End of financial year	184	–	184	–
<i>Accumulated amortisation</i>				
Beginning and end of financial year	–	–	–	–
Net carrying amount				
End of financial year	184	–	184	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16. DERIVATIVE ASSETS

	Group	
	2022 \$'000	2021 \$'000
Beginning of financial year	605	–
Acquisition of subsidiaries (Note 25)	–	381
Additions	17	–
Fair value gain (Note 5)	342	224
End of financial year	964	605

During the financial year ended 31 December 2022, a subsidiary of the Company, Unimedic Pte Ltd, entered into a Sale and Purchase Agreement (“SPA”) with an external party to sell 40% equity interest in Healthway Dental Pte. Ltd., for a purchase consideration of \$369,000. Under the SPA, Unimedic Pte. Ltd. was granted a call option to purchase all of the remaining shares of Healthway Dental Pte. Ltd. owned by the non-controlling shareholder (“NCI”).

During the financial year ended 31 December 2021, a subsidiary of the Company, Healthway Medical Group Pte Ltd, entered into a SPA with an external party to purchase 51% equity interest in EBH Capital Pte. Ltd. and its subsidiaries, for a purchase consideration of \$3,698,000. Under the SPA, Healthway Medical Group Pte Ltd was granted a call option to purchase all of the remaining shares of EBH Capital Pte. Ltd. owned by the NCI.

The call options were accounted for as derivative assets in the financial statements measured at fair value through profit or loss and are classified as Level 3 under the fair value hierarchy. See Note 27 for the valuation policies and procedures, as well as significant unobservable inputs used in the fair value measurement.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Trade payables to:				
– non-related parties	10,645	11,410	31	–
Other payables to:				
– non-related parties	5,117	3,677	467	339
– related parties	14	10	3	10
– subsidiaries	–	–	–	93
	15,776	15,097	501	442
Deferred income	793	345	–	–
Accrued expenses	10,381	9,464	1,158	972
	26,950	24,906	1,659	1,414
Non-current				
Other payables to non-related parties	–	235	–	–
Other payables to related parties	117	–	–	–
Other payables to non-controlling interests	4,942	3,256	–	–
Loans from subsidiaries’ non-controlling interests	284	–	–	–
	5,343	3,491	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. TRADE AND OTHER PAYABLES (CONTINUED)

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 and related parties (non-current) are unsecured, interest-free and not expected to be settled within the next 12 months.

Other payables to related parties relate to the contingent consideration arising from the acquisition of subsidiaries during the year (Note 25).

Other payables to non-controlling interests ("**NCI**") relate to contracts between the Group and the NCI to purchase the shares held by the NCI in the subsidiaries. The contracts are not expected to be settled within the next 12 months.

Loans from subsidiaries' non-controlling interests are unsecured, bear interests at 2.75% to 5% per annum (2021: Nil) and repayable within two to three years.

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.

18. BORROWINGS

	Effective interest rate	Maturity	Group	
			2022 \$'000	2021 \$'000
Current				
Other secured borrowings	4.73% – 4.75%	2023	<u>401</u>	<u>910</u>
Non-current				
Other secured borrowings	4.73% – 4.75%	2024	<u>112</u>	<u>508</u>
Total borrowings			<u>513</u>	<u>1,418</u>

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	
	2022 \$'000	2021 \$'000
Minimum lease payments due		
– Not later than one year (undiscounted)	<u>411</u>	<u>934</u>
– Between one and five years (undiscounted)	<u>114</u>	<u>542</u>
	<u>525</u>	<u>1,476</u>
Less: Future finance charges	<u>(12)</u>	<u>(58)</u>
Present value of lease payments	<u>513</u>	<u>1,418</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. BORROWINGS (CONTINUED)

The present values of lease payments in relation to other secured borrowings are analysed as follows:

	Group	
	2022 \$'000	2021 \$'000
Not later than one year	401	910
Between one and five years	112	508
Total	513	1,418

19. LEASE LIABILITIES

Lease liabilities arise from the Group's leasing activities as a lessee of commercial and office premises, as disclosed in Note 14. The interest expenses on lease liabilities are disclosed in Note 7.

The undiscounted minimum lease payments in relation to lease liabilities of the Group and of the Company at the balance sheet dates are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Minimum lease payments due				
– Not later than one year (undiscounted)	10,190	7,762	400	801
– Between one and five years (undiscounted)	12,377	8,174	–	400
– More than five years (undiscounted)	498	80	–	–
	23,065	16,016	400	1,201
Less: Future finance charges	(1,456)	(908)	(5)	(42)
Present value of lease payments	21,609	15,108	395	1,159
Current	9,392	7,220	395	764
Non-current	12,217	7,888	–	395
Total lease liabilities	21,609	15,108	395	1,159

The present values of lease payments in relation to lease liabilities are analysed as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not later than one year	9,392	7,220	395	764
Between one and five years	11,734	7,810	–	395
More than five years	483	78	–	–
Total	21,609	15,108	395	1,159

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

19. LEASE LIABILITIES (CONTINUED)*Lease expenses not capitalised in lease liabilities*

	Group	
	2022	2021
	\$'000	\$'000
Lease expenses – short-term leases	109	172
Lease expenses – low value leases	12	24
	121	196

Total cash outflow for all the leases in 2022 was approximately \$10,512,000 (2021: \$9,661,000).

20. PROVISIONS

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Provision for restoration costs	1,999	1,645	105	105

Movement in provision for restoration costs is as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,645	1,707	105	105
Additions	387	39	–	–
Provision utilised	(15)	(34)	–	–
Provision reversed	(18)	(67)	–	–
End of financial year	1,999	1,645	105	105

21. DEFERRED INCOME TAXES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deferred income tax assets	1,834	1,484	79	–
Deferred income tax liabilities	(947)	(901)	–	–
Net deferred income taxes	887	583	79	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

21. DEFERRED INCOME TAXES (CONTINUED)

Deferred income taxes relates to the following:

Group	At 1 January 2021 \$'000	Recognised in profit or loss \$'000	At 31 December 2021 \$'000	Acquisition of subsidiaries (Note 25) \$'000	Recognised in profit or loss \$'000	At 31 December 2022 \$'000
Unutilised tax losses	714	(269)	445	–	17	462
Provisions	84	698	782	–	512	1,294
Differences in depreciation for tax purposes	(361)	514	153	(15)	(270)	(132)
Brand names	(901)	–	(901)	–	–	(901)
Others	–	104	104	7	53	164
Net deferred income taxes	<u>(464)</u>	<u>1,047</u>	<u>583</u>	<u>(8)</u>	<u>312</u>	<u>887</u>

Company	At 1 January 2021 \$'000	Recognised in profit or loss \$'000	At 31 December 2021 \$'000	Recognised in profit or loss \$'000	At 31 December 2022 \$'000
Provisions	13	(13)	–	125	125
Differences in depreciation for tax purposes	(13)	13	–	(43)	(43)
Others	–	–	–	(3)	(3)
Net deferred income taxes	<u>–</u>	<u>–</u>	<u>–</u>	<u>79</u>	<u>79</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through taxable profits is probable. The Group has unrecognised tax losses of \$56,055,000 (2021: \$58,688,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Singapore. These tax losses have no expiry dates.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

22. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES

	Group and Company			
	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
2022				
Beginning of financial year	4,528,792	(1,336)	277,433	(33)
Treasury shares reissued	-	1,336	-	33
Ordinary shares issued	6,779	-	197	-
End of financial year	4,535,571	-	277,630	-
2021				
Beginning of financial year	4,528,792	(9,451)	277,433	(236)
Treasury shares reissued	-	8,115	-	203
End of financial year	4,528,792	(1,336)	277,433	(33)

Ordinary and treasury shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares following the abolishment of par value by the Companies (Amendment Act 2005).

Treasury shares relate to ordinary shares of the Company held by the Company.

Other reserves

Composition:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Share-based compensation reserve	-	235	-	235
Currency translation reserve	(2)	-	-	-
Capital reserve	(4,056)	(3,153)	67	62
	(4,058)	(2,918)	67	297

Movement:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Share-based compensation reserve:				
Beginning of financial year	235	235	235	235
Treasury shares reissued	(38)	(235)	(38)	(235)
Value of employee services	-	235	-	235
New shares issued	(197)	-	(197)	-
End of financial year	-	235	-	235

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES (CONTINUED)

Other reserves (Continued)

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Currency translation reserve:				
Beginning of financial year	-	799	-	-
Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary	-	(799)	-	-
Foreign currency translation	(2)	-	-	-
End of financial year	(2)	-	-	-

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Capital reserve:				
Beginning of financial year	(3,153)	31	62	31
Treasury shares reissued ⁽¹⁾	5	32	5	32
Share reissuance expenses ⁽¹⁾	-	(1)	-	(1)
Put option granted to non-controlling interests ⁽²⁾⁽³⁾	(908)	(3,215)	-	-
End of financial year	(4,056)	(3,153)	67	62

⁽¹⁾ 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.

⁽²⁾ As part of the acquisition of subsidiaries (Note 25), 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 17) at the present value of the option exercise price, with a corresponding debit to equity attributable to the owners of the Company.

⁽³⁾ As part of the dilution of interests in a subsidiary (Note 13) during the financial year ended 31 December 2022, 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 17) at the present value of the option exercise price, with a corresponding debit to equity attributable to the owners of the Company.

23. MOVEMENTS IN COMPANY'S ACCUMULATED LOSSES

	Company	
	2022 \$'000	2021 \$'000
Beginning of financial year	(39,836)	(41,039)
(Loss)/profit for the year	(272)	1,203
End of financial year	(40,108)	(39,836)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

24. COMMITMENTS AND CONTINGENCIES

The Company and a subsidiary have issued corporate guarantees to banks and to a financial institution for credit facilities and finance lease liabilities granted to its subsidiaries, as well as performance guarantees to certain customers as below:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Corporate guarantees relating to:</i>				
– subsidiaries' other secured borrowings	–	–	513	1,418
– performance guarantees	534	382	331	14
	534	382	844	1,432

25. BUSINESS COMBINATIONS***Acquisition of subsidiaries***

Ascension Therapy Grp Pte. Ltd. and Ten Surgery Group Pte. Ltd.

On 1 September 2022, the Group through its wholly-owned subsidiary, Unimedica Pte. Ltd., acquired 50.1% interest in Ascension Therapy Grp Pte. Ltd. and 70% interest in Ten Surgery Group Pte. Ltd. for a total consideration of \$1,272,000 and \$6,370,000 respectively.

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

The fair values of the identifiable assets and liabilities of Ascension Therapy Grp Pte. Ltd. and its subsidiaries ("**ATG**") and Ten Surgery Group Pte. Ltd. ("**TEN**") as at the date of acquisition are as follows:

	ATG	TEN	Total
	\$'000	\$'000	\$'000
Assets			
Property, plant and equipment (Note 14)	174	725	899
Cash and cash equivalents	939	151	1,090
Trade and other receivables	166	1,078	1,244
Inventories	–	8	8
Deferred tax assets	7	–	7
	1,286	1,962	3,248
Liabilities			
Trade and other payables	336	100	436
Lease liabilities	42	610	652
Current income tax liabilities	1	133	134
Deferred tax liabilities	6	9	15
	385	852	1,237

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. BUSINESS COMBINATIONS (CONTINUED)

Acquisition of subsidiaries (Continued)

Ascension Therapy Grp Pte. Ltd. and Ten Surgery Group Pte. Ltd. (Continued)

	ATG \$'000	TEN \$'000	Total \$'000
Total identifiable net assets acquired	901	1,110	2,011
Non-controlling interests	(459)	(333)	(792)
Goodwill arising on acquisition	830	5,593	6,423
	<u>1,272</u>	<u>6,370</u>	<u>7,642</u>
Cash consideration	1,155	6,370	7,525
Contingent consideration	117	–	117
Total consideration	<u>1,272</u>	<u>6,370</u>	<u>7,642</u>
Net cash acquired with the subsidiaries	939	151	1,090
Cash paid	(1,155)	(6,370)	(7,525)
Net cash flow on acquisition	<u>(216)</u>	<u>(6,219)</u>	<u>(6,435)</u>

(a) Acquisition-related costs

Acquisition-related costs of \$115,000 were expensed and are included in other expenses.

(b) Contingent consideration

The contingent consideration was calculated using the income approach measured based on forecasted earnings before interest, taxes, depreciation and amortisation of ATG from 1 September 2023 to 31 August 2024. The amount shall be payable on 31 August 2024.

(c) Acquired receivables

The fair value of trade and other receivables is \$1,244,000. The gross contractual amount for trade and other receivables due is \$1,257,000 before net of allowance for impairment loss of \$13,000. Management is of the view that there is no material credit risk relating to the trade and other receivables of \$1,244,000.

(d) Goodwill

The total consideration is negotiated on a willing buyer willing seller basis, taking into account the existing clientele and growth prospects presented by the respective businesses. The goodwill of \$6,423,000 arising from the acquisitions is attributable to the synergies between the businesses and the anticipated economies of scale arising from combining the operations with the Group.

(e) Contribution to the Group

ATG contributed revenue of \$920,000 and loss of \$75,000 to the Group for the period from 1 September 2022 to 31 December 2022. If the business combination had taken place at the beginning of the financial year, the revenue contribution by ATG from continuing operations would have been \$2,759,000 and the contribution to the Group's loss for the year would have been \$226,000.

TEN contributed revenue of \$2,207,000 and profit of \$304,000 to the Group for the period from 1 September 2022 to 31 December 2022. If the business combination had taken place at the beginning of the financial year, the revenue contribution by TEN from continuing operations would have been \$6,622,000 and the contribution to the Group's profit for the year would have been \$911,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. BUSINESS COMBINATIONS (CONTINUED)

Acquisition of subsidiaries (Continued)

EBH Capital Pte. Ltd.

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 cash consideration of \$3,698,000.

The Group has measured the non-controlling interests in the acquiree at the proportionate share of the interests 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:

	\$'000
Purchase consideration	3,698
Assets and liabilities recognised as a result of the acquisition:	
	\$'000
Assets	
Property, plant and equipment (Note 14)	1,291
Cash and cash equivalents	337
Trade and other receivables	763
Inventories	191
	<u>2,582</u>
Liabilities	
Trade and other payables	(545)
Lease liabilities	(1,227)
Current income tax liabilities	(11)
Total liabilities	<u>(1,783)</u>
Total identifiable net assets acquired	799
Non-controlling interests (49% of net assets)	(391)
Derivative asset (Note 16)	381
Goodwill on acquisition of businesses (Note 15)	2,909
Total cash consideration	<u>3,698</u>
Cash and cash equivalents acquired	337
Cash paid	<u>(3,698)</u>
Cash outflow on acquisition	<u>(3,361)</u>

(a) Acquisition-related costs

Acquisition-related costs of \$50,000 were expensed and are included in other expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25. BUSINESS COMBINATIONS (CONTINUED)

Acquisition of subsidiaries (Continued)

EBH Capital Pte. Ltd. (Continued)

(b) Acquired receivables

The fair value of trade and other receivables is \$763,000. The gross contractual amount for trade and other receivables due is \$785,000 before net of allowance for impairment loss of \$22,000. Management is of the view that there is no material credit risk relating to the trade and other receivables of \$763,000.

(c) Goodwill

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.

(d) Contribution to the Group

The acquired subsidiaries contributed revenue of \$1,198,000 and loss of \$152,000 to the Group for the period from 1 October 2021 to 31 December 2021. If the business combination had taken place at the beginning of the financial year, the revenue contribution by EBH Group from continuing operations would have been \$4,464,000 and the contribution to the Group's loss for the year would have been \$339,000.

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Detailed policies are established and carried out by management in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) *Market risk*

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore. The Group's monetary assets and liabilities are principally denominated in Singapore Dollar ("**SGD**").

The Group and Company is not exposed to significant foreign currency risk on monetary assets and liabilities that are denominated in a currency other than the respective functional currencies.

(ii) *Interest rate risks*

Interest rate risk is the risk that the future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash and bank balances. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has no material exposure to changes in interest rates.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

26. FINANCIAL RISK MANAGEMENT (CONTINUED)**Financial risk factors** (Continued)(b) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with credit worthy counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2022	2021
	\$'000	\$'000
Corporate guarantees relating to:		
– subsidiaries' other secured borrowings (undiscounted)	525	1,476

The Group has four customers (2021: four) with balances individually greater than 5% of the total trade and other receivables.

0.4% (2021: 1.3%) of the Group's trade and other receivables were due from related parties while none (2021: 0.5%) of the Company's receivables were balances with related parties.

(i) *Trade receivables and finance lease receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. Finance lease receivables are subject to immaterial credit loss.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty is unlikely to make contractual payments in full to the Group. The Group then makes a provision in full for the financial asset when a debtor fails to make payments greater than 365 days past due. Where receivables are greater than 365 days past due, the Company continues to engage in collection efforts to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) *Credit risk* (Continued)

(i) *Trade receivables and finance lease receivables* (Continued)

The following table provides information of the Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 and 31 December 2021.

Group	Current to 365 days past due \$'000	More than 365 days past due \$'000	Total \$'000
As at 31 December 2022			
Sales of medical services			
Weighted-average expected loss rate	3.5%	100%	
Trade receivables	22,910	2,333	25,243
Loss allowance	(804)	(2,333)	(3,137)
As at 31 December 2021			
Sales of medical services			
Weighted-average expected loss rate	4.0%	100%	
Trade receivables	21,532	2,634	24,166
Loss allowance	(852)	(2,634)	(3,486)

(ii) *Financial guarantee contracts*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company does not expect significant credit losses arising from these guarantees.

(iii) *Other receivables and deposits*

Except as disclosed in Note 11, the Group does not expect significant credit losses arising from these balances.

(iv) *Cash and cash equivalents*

The Group and the Company held cash and cash equivalents of \$39,135,000 and \$26,062,000 respectively (2021: \$33,552,000 and \$28,961,000) with banks which are rated AA and A based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

26. FINANCIAL RISK MANAGEMENT (CONTINUED)**Financial risk factors** (Continued)(c) *Liquidity risk*

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting financial obligations due to shortage of funds.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000
Group				
2022				
Non-derivative financial liabilities				
Other secured borrowings	525	411	114	–
Lease liabilities	23,066	10,191	12,377	498
Trade and other payables*	28,715	22,539	6,176	–
	52,306	33,141	18,667	498
2021				
Non-derivative financial liabilities				
Other secured borrowings	1,476	934	542	–
Lease liabilities	16,016	7,762	8,174	80
Trade and other payables*	25,414	21,075	4,339	–
	42,906	29,771	13,055	80

* Excludes deferred income, provision for unutilised leave and goods and services tax payables, net

	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000
Company			
2022			
Non-derivative financial liabilities			
Trade and other payables*	1,610	1,610	–
Lease liabilities	400	400	–
Financial guarantee contracts	525	411	114
	2,535	2,421	114
2021			
Non-derivative financial liabilities			
Trade and other payables*	1,328	1,328	–
Lease liabilities	1,201	801	400
Financial guarantee contracts	1,476	934	542
	4,005	3,063	942

* Excludes provision for unutilised leave and goods and services tax payables, net

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio.

The Group and Company are not subjected to any externally imposed capital requirements for the financial year ended 31 December 2022 and 31 December 2021.

(e) *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets, at amortised cost	65,152	57,815	26,320	29,530
Financial assets, at fair value through profit or loss	964	605	-	-
Financial liabilities, at amortised cost	50,003	41,092	2,005	2,487

27. FAIR VALUE MEASUREMENT

Fair value hierarchy

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:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

27. FAIR VALUE MEASUREMENT (CONTINUED)*Fair value hierarchy (Continued)*(a) *Assets and liabilities measured at fair value*

The following table shows an analysis of assets measured at fair value at the end of the reporting period:

	Level 3	
	2022	2021
	\$'000	\$'000
Group		
Financial assets		
<u>Derivatives</u>		
Options in NCI's shares (Note 16)	964	605

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 2022 and 2021:

Group

Description	Valuation technique	Significant unobservable inputs	Range used
Recurring fair value measurement			
Derivatives	Options pricing model	Earnings before interest, taxes, depreciation and amortisation ("EBITDA") growth rates	1.5% to 68.0% (2021: 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27. FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy (Continued)

(a) *Assets and liabilities measured at fair value (Continued)*

Level 3 fair value measurements (Continued)

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

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

	Group	
	2022	2021
	\$'000	\$'000
Beginning of financial year	605	–
Acquisition of subsidiaries (Note 25)	–	381
Dilution of a subsidiary without a loss of control	17	–
Fair value gain (Note 5)	342	224
End of financial year	964	605

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Cash and bank balances (Note 10), current trade and other receivables (Note 11), current trade and other payables (Note 17) and borrowings (Note 18)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

Trade and other receivables (non-current) (Note 11), trade and other payables (non-current) (Note 17)

The fair values correspond to the balance sheet carrying amounts as the fair values are estimated by discounting expected future cash flows at market incremental lending rate for similar types of financing arrangements at the balance sheet date, or the impact of discounting future cash flows is not material.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. 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:

(a) *Related party transactions*

	Group	
	2022 \$'000	2021 \$'000
Rental and other operating expenses	1,336	1,275
Rental and other operating income	292	242
Staff costs	302	289

Balances with related parties at the balance sheet date are set out in Note 11 and Note 17.

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.

(b) *Key management personnel compensation*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprise:

	Group	
	2022 \$'000	2021 \$'000
Wages and salaries	1,404	1,363
Directors' fees of the Company	228	193
Employer's contribution to defined contribution plans including Central Provident Fund	38	16
	1,670	1,572

29. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions, 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.

Business segments

The Group has the following strategic business units.

- Primary Healthcare comprising family medicine, dentistry, healthcare benefit management and investment in strategic medical related business; and
- Specialist Healthcare comprising paediatrics, orthopaedics, obstetrics and gynaecology and Nobel specialist comprising cardiology, gastroenterology, psychiatry, ophthalmology (eye), otorhinolaryngology (ear, nose and throat), general surgery and speech therapy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. SEGMENT INFORMATION (CONTINUED)

Geographical segments

The Group's operations are mainly in Singapore.

Major customer

Revenue from one customer (2021: one customer) amounted to more than 10% (2021: 10%) of the Group's revenue.

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.

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

	← Singapore →		China	Total \$'000
	Primary Healthcare \$'000	Specialist Healthcare \$'000	Specialist Healthcare \$'000	
2022				
Sales				
Total segment sales and sales to external parties	101,436	58,455	–	159,891
Adjusted EBITDA	18,076	10,270	–	28,346
Depreciation of property, plant and equipment	8,125	3,981	–	12,106
Amortisation of intangible assets	599	–	–	599
Segment assets	139,080	100,580	–	239,660
Segment assets include:				
– Additions to property, plant and equipment	14,565	6,122	–	20,687
– Additions to intangible assets	198	6,423	–	6,621
Segment liabilities	30,302	20,657	–	50,959
2021				
Sales				
Total segment sales and sales to external parties	87,537	52,385	–	139,922
Adjusted EBITDA	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
Segment assets	130,642	84,763	–	215,405
Segment assets include:				
– Additions to property, plant and equipment	6,282	2,504	–	8,786
– Additions to intangible assets	3,058	–	–	3,058
Segment liabilities	26,461	15,433	–	41,894

The revenue reported 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. 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

29. SEGMENT INFORMATION (CONTINUED)(a) *Reconciliations*(i) *Segment profits*

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Adjusted EBITDA for reportable segments	28,346	21,977
Depreciation of property, plant and equipment	(12,106)	(10,755)
Amortisation of intangible assets	(599)	(135)
Interest income	251	54
Fair value gain on derivative assets	342	224
Finance expenses	(1,753)	(839)
Share of loss of an associate – net of tax	(300)	(300)
Profit before income tax	14,181	10,226

(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 the amounts disclosed below.

Segment assets are reconciled to total assets as follows:

	Group	
	2022	2021
	\$'000	\$'000
Segment assets for reportable segments	239,660	215,405
Unallocated:		
– Short-term bank deposits (Note 10)	17,727	17,805
– Investment in an associate (Note 13)	1,130	1,430
– Derivative assets (Note 16)	964	605
– Deferred income tax assets (Note 21)	1,834	1,484
Total assets	261,315	236,729

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29. SEGMENT INFORMATION (CONTINUED)

(a) *Reconciliations (Continued)*

(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 the amounts disclosed below.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2022	2021
	\$'000	\$'000
Segment liabilities for reportable segments	50,959	41,894
Unallocated:		
– Current income tax liabilities (Note 8(c))	2,639	613
– Deferred income tax liabilities (Note 21)	947	901
– Other payables to non-controlling interest (Note 17)	4,942	3,256
– Borrowings (Note 18)	513	1,418
Total liabilities	60,000	48,082

(b) *Geographical information*

	Sales for continuing operations	
	2022	2021
	\$'000	\$'000
Singapore	159,891	139,922

Majority of non-current assets are all located in Singapore.

30. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of businesses

The Group, through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd (“HMG”), acquired three General Practitioner (“GP”) clinics in Singapore for a total consideration of approximately \$3,325,000, including a contingent consideration of approximately \$1,337,000.

(b) Incorporation of a subsidiary

The Group, through its wholly-owned subsidiary, HMG, incorporated HSC Health Pte. Ltd., a wholly-owned subsidiary.

31. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 3 April 2023.

STATISTICS OF SHAREHOLDINGS

As At 20 March 2023

Total number of issued shares excluding treasury shares and subsidiary	:	4,535,571,100
Total number of treasury shares held	:	Nil
Total number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary
Voting rights	:	One vote per Ordinary Shares

DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 – 99	264	5.28	9,576	0.00
100 – 1,000	343	6.85	202,415	0.00
1,001 – 10,000	1,002	20.02	5,622,995	0.12
10,001 – 1,000,000	3,273	65.41	390,498,497	8.62
1,000,001 AND ABOVE	122	2.44	4,139,237,617	91.26
TOTAL	5,004	100.00	4,535,571,100	100.00

TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	GENTLE CARE PTE. LTD.	1,270,169,892	28.00
2	GW ACTIVE LIMITED	1,241,134,751	27.36
3	OCBC SECURITIES PRIVATE LIMITED	456,985,735	10.08
4	CITIBANK NOMINEES SINGAPORE PTE LTD	229,964,038	5.07
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	206,689,565	4.56
6	PHILLIP SECURITIES PTE LTD	85,801,577	1.89
7	DBS NOMINEES (PRIVATE) LIMITED	79,508,801	1.75
8	ABRAM MELKYZEDECK SUHARDIMAN	42,179,700	0.93
9	RAFFLES NOMINEES (PTE.) LIMITED	38,063,286	0.84
10	LIM & TAN SECURITIES PTE LTD	27,347,489	0.60
11	ONG ENG LOKE	24,324,100	0.54
12	LIM WEE HAN	19,900,000	0.44
13	TAN KOON	19,457,100	0.43
14	MAYBANK SECURITIES PTE. LTD.	18,571,545	0.41
15	HSBC (SINGAPORE) NOMINEES PTE LTD	16,723,695	0.37
16	UOB KAY HIAN PRIVATE LIMITED	16,306,836	0.36
17	HANIF MOEZ NOMANBHOY	15,590,011	0.34
18	FOO WEE FONG	12,500,300	0.28
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,449,104	0.27
20	CHAN KIT YEE	10,662,822	0.24
	TOTAL	3,844,330,347	84.76

STATISTICS OF SHAREHOLDINGS

As At 20 March 2023

SUBSTANTIAL SHAREHOLDERS (as recorded in the Company's Register of Substantial Shareholders as at 20 March 2023)

	Direct Interest		Deemed Interest	
	No. of Shares	% ¹	No. of Shares	% ¹
Gentle Care Pte. Ltd.	1,594,776,083	35.16	–	– ²
Valiant Leader Limited	–	–	1,594,776,083	35.16 ³
Tamsett Holdings Limited	–	–	1,594,776,083	35.16 ⁴
GW Active Limited	1,241,134,751	27.36	–	–
Gateway Fund I, L.P.	–	–	1,241,134,751	27.36 ⁵
Continental Equity Inc.	–	–	253,865,182	5.60 ⁶
Rickon Holdings Limited	–	–	1,848,641,265	40.76 ⁷
Lippo China Resources Limited	–	–	1,848,641,265	40.76 ⁸
Skyscraper Realty Limited	–	–	1,848,641,265	40.76 ⁹
Lippo Limited	–	–	1,848,641,265	40.76 ¹⁰
Lippo Capital Limited	–	–	1,848,641,265	40.76 ¹¹
Lippo Capital Holdings Company Limited	–	–	1,848,641,265	40.76 ¹²
Lippo Capital Group Limited	–	–	1,848,641,265	40.76 ¹³
PT Trijaya Utama Mandiri	–	–	1,848,641,265	40.76 ¹⁴
Dr. James Tjahaja Riady	–	–	1,848,641,265	40.76 ¹⁵
Dr. Stephen Riady	–	–	1,848,641,265	40.76 ¹⁶

Notes:

- 1 Computed based on 4,535,571,100 ordinary shares in the Company (“**Shares**”), being the total number of issued voting Shares as at 20 March 2023.
- 2 Gentle Care Pte. Ltd. (“**GC**”) is a wholly-owned subsidiary of Valiant Leader Limited (“**VL**”). GC holds 1,270,169,892 Shares through its CDP account and 324,606,191 Shares through OCBC Securities Private Limited (acting as nominee of GC).
- 3 VL is deemed to be interested in the Shares held by GC by virtue of its shareholding in GC. VL is the direct holding company of GC.
- 4 Tamsett Holdings Limited (“**TH**”) is deemed to be interested in the Shares held by GC by virtue of its shareholding in VL. TH is a direct holding company of VL and is an indirect holding company of GC.
- 5 Gateway Fund I, L.P. (“**Fund**”) is deemed to be interested in the Shares held by GW Active Limited (“**GW**”) by virtue of its 100% shareholding in GW. Gateway Partners Limited (“**GP**”) is the general partner of the Fund. GP has full control over the business and affairs of the Fund, including making all investment and divestment decisions, and voting the securities and interests held by the Fund, via the investment committee of the Fund. The limited partners of the Fund do not have any control over the business and affairs of the Fund, including the making of investment and divestment decisions and voting the securities and interests held by the Fund. The shareholders (direct or indirect) of the GP do not have, in their individual capacity as shareholders (direct or indirect) of the GP, any control over the business and affairs of the Fund, including the making of investment and divestment decisions and voting the securities and interests held by the Fund, and do not have the beneficial ownership in the securities and interests held by the Fund.
- 6 Continental Equity Inc. (“**CEI**”) is interested in 126,951,300 Shares held through OCBC Securities Private Limited (acting as nominee for CEI), and 126,913,882 Shares of the Company held through Citibank Nominees Singapore Pte Ltd for UBS AG Singapore Branch (acting as nominee for CEI). CEI is a wholly-owned subsidiary of Rickon Holdings Limited (“**RH**”).
- 7 RH is deemed to be interested in the Shares held by CEI and GC. RH is a direct holding company of CEI and an indirect holding company of GC.
- 8 Lippo China Resources Limited (“**LCR**”) is deemed to be interested in the Shares held by CEI and GC by virtue of its shareholding in RH. LCR is a direct holding company of RH and an indirect holding company of CEI and GC.
- 9 Skyscraper Realty Limited (“**Skyscraper**”) is deemed to be interested in the Shares held by CEI and GC by virtue of its shareholding in LCR. Skyscraper is a direct holding company of LCR and an indirect holding company of CEI and GC.
- 10 Lippo Limited (“**Lippo**”) is deemed to be interested in the Shares held by CEI and GC by virtue of its shareholding in Skyscraper. Lippo is a direct holding company of Skyscraper and an indirect holding company of CEI and GC.
- 11 Lippo Capital Limited (“**Lippo Capital**”) is deemed to be interested in the Shares held by CEI and GC by virtue of its shareholding in Lippo. Lippo Capital is a direct holding company of Lippo and an indirect holding company of CEI and GC.
- 12 Lippo Capital Holdings Company Limited (“**LCH**”) is the holding company of Lippo Capital, which in turn is an intermediate holding company of GC and CEI. Accordingly, LCH has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 13 Lippo Capital Group Limited (“**LCG**”) is the holding company of LCH. LCH is the holding company of Lippo Capital. Accordingly,

STATISTICS OF SHAREHOLDINGS

As At 20 March 2023

LCG has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. Accordingly, LCG has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.

- 14 PT Trijaya Utama Mandiri ("**PTT**") holds more than 20% of the shares in Lippo Capital. Accordingly, PTT has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. Accordingly, PTT has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 15 Dr. James Tjahaja Riady ("**Dr. James Riady**") effectively holds all the shares in PTT which holds more than 20% of the shares in Lippo Capital. Accordingly, Dr. James Riady has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. Accordingly, Dr. James Riady has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 16 Dr. Stephen Riady ("**Dr. Riady**") holds all the shares in LCG, which is the holding company of LCH. LCH is the holding company of Lippo Capital which in turn is an intermediate holding company of GC and CEI. Accordingly, Dr. Riady has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as of 20 March 2023, approximately 30.29% of the total number of issued voting Shares were held in the hands of the public and therefore, the Rule 723 of the Catalist Rules is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting (“**AGM**”) of Healthway Medical Corporation Limited (the “**Company**”) will be held by way of electronic means on Thursday, 27 April 2023 at 2:00 p.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Chen Yeow Sin, a Director retiring pursuant to Regulation 98 of the Company’s Constitution and Rule 720(4) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and who, being eligible, has offered himself for re-election. (See explanatory note 1) **(Resolution 2)**
3. To re-elect Ms Aliza Knox, a Director retiring pursuant to Regulation 98 of the Company’s Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST and who, being eligible, has offered herself for re-election. (See explanatory note 2) **(Resolution 3)**
4. To re-elect Dr Khor Chin Kee, a Director retiring pursuant to Regulation 102 of the Company’s Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST and who, being eligible, has offered himself for re-election. (See explanatory note 3) **(Resolution 4)**
5. To approve the payment of Directors’ fees of S\$228,386 for the financial year ended 31 December 2022 (2021: S\$192,500). **(Resolution 5)**
6. To re-appoint Messrs Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and if deemed fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

7. The Proposed General Share Issue Mandate (the “**Share Issue Mandate**”) **(Resolution 7)**

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”), and Rule 806 of the Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:

 - (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

 - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided always that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (the “**Shareholders**”) (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of total issued Shares shall be based on total issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution, after adjusting for:
 - (1) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;
 - (2) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and
 - (3) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company’s Constitution for the time being; and
- (d) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

(See explanatory note 4)

BY ORDER OF THE BOARD

Chen Chuanjian, Jason
Chew Pei Tsing
Joint Company Secretaries

4 April 2023
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr Chen Yeow Sin will, upon re-election as Director of the Company, remain as the Lead Independent Director, Chairman of the Audit and Risk Committee as well as the Nominating Committee and a member of the Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. The detailed information on Mr Chen as recommended under the Code of Corporate Governance and as required under Rule 720(5) of Catalist Rules can be found under the section entitled "Board of Directors" on pages 10 to 13 and table entitled "Additional Information on Directors Seeking Re-election" on pages 54 to 65 of the Annual Report 2022.
2. Ms Aliza Knox will, upon re-election as Director of the Company, remain as an Independent Director, and a member of the Audit and Risk Committee, the Nominating Committee as well as the Remuneration Committee. She will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. The detailed information on Ms Knox as recommended under the Code of Corporate Governance and as required under Rule 720(5) of Catalist Rules can be found under the section entitled "Board of Directors" on pages 10 to 13 and table entitled "Additional Information on Directors Seeking Re-election" on pages 54 to 65 of the Annual Report 2022.
3. Dr Khor Chin Kee will, upon re-election as Director of the Company, remain as a Non-Independent Non-Executive Director of the Company. The detailed information on Dr Khor as recommended under the Code of Corporate Governance and as required under Rule 720(5) of Catalist Rules can be found under the section entitled "Board of Directors" on pages 10 to 13 and table entitled "Additional Information on Directors Seeking Re-election" on pages 54 to 65 of the Annual Report 2022.
4. Under the Catalist Rules of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable Directors of an issuer to issue an aggregate number of new shares and/or convertible securities of the issuer of up to one hundred per cent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the time of passing of the resolution approving the Share Issue Mandate, of which the aggregate number of new shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders must be not more than fifty per cent (50%) of the total issued Shares of the issuer (excluding treasury shares and subsidiary holdings, if any).

The Directors are of the opinion that the Share Issue Mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund-raising exercises or other arrangements or transactions involving the capital of the Company.

The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors from the date of the AGM until the date of the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to allot and issue shares and/or convertible securities in the capital of the Company. The aggregate number of shares and convertible securities which the Directors may allot and issue under this resolution, shall not exceed one hundred per cent (100%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings, if any) of which the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders shall not exceed fifty per cent (50%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing of this resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE TO SHAREHOLDERS IN RELATION TO THE CONDUCT AND PROCEEDINGS OF THE COMPANY'S AGM ON 27 APRIL 2023 AT 2:00 P.M.

The AGM is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able to attend the AGM in person.

Printed copies of this Notice of AGM will not be sent to Shareholders. Instead, this Notice of AGM will be sent to Shareholders by way of electronic means via publication on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.healthwaymedical.com/investor-relations/announcements/>.

Alternative arrangements have been put in place to allow Shareholders to participate at the AGM by:

- (a) observing and/or listening to the AGM proceedings via the live audio-visual webcast and live audio-only stream ("**Live Webcast**");
- (b) submitting questions relating to the resolutions to be tabled at the AGM, to the Chairman of the AGM in advance of the AGM;
- (c) submitting text-based questions during the Live Webcast of the AGM by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box; and
- (d) voting at the AGM, (1) "live" by the Shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; (2) "live" by the CPF or SRS investor via electronic means if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (3) by the Shareholder, or the CPF or SRS investor, appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM.

Participation in AGM proceedings via Live Webcast

1. A Shareholder of the Company (including CPF/SRS investors) or their corporate representatives (in the case of a Shareholder which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a Live Webcast via mobile phone, tablet or computer. In order to do so, the Shareholder may pre-register from **9:00 a.m. on 4 April 2023 (Tuesday) to 2:00 p.m. on 24 April 2023 (Monday)** (being not less than seventy-two (72) hours before the time fixed for the AGM) ("**Registration Deadline**"), at the following URL: https://conveneagm.sg/hmc_agm2023 (the "**HMC AGM Website**"), to create an account and to enable the Company to verify the Shareholders' status. Persons who hold shares through Relevant Intermediaries who wish to participate in the AGM by observing and/or listening to the AGM proceedings via "live" audio-and-visual website or "live" audio-only stream should approach his/her/its Relevant Intermediaries.
2. Following authentication of his/her/its status as a Shareholder of the Company, such Shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
3. Shareholders who have pre-registered by the Registration Deadline but do not receive the aforementioned email by **12:00 noon on 26 April 2023 (Wednesday)** should contact the Company at the following email address: hmcagm2023@healthwaymedical.com with the following details included: (a) the Shareholder's full name; and (b) his/her/its identification/registration number.

NOTICE OF ANNUAL GENERAL MEETING

4. Shareholders who are attending the AGM via Live Webcast are reminded that the AGM is private. Invitations to attend the AGM Live Webcast shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorised and/or authenticated to attend the AGM Live Webcast. Recording of the AGM Live Webcast in whatsoever form by the Shareholders is also strictly prohibited.
5. The Company asks for Shareholders' indulgence during the Live Webcast in the event of any technical disruptions. Shareholders may go to "Contact Support" at the bottom of the HMC AGM Website, in the event if there is any technical issue for login pre-AGM.

Submission of questions

6. Shareholders of the Company (including CPF and SRS investors) attending the AGM via the Live Webcast will be able to ask questions during the AGM by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.
7. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than **5:00 p.m. on 12 April 2023 (Wednesday)**:
 - (a) via the HMC AGM Website; or
 - (b) in physical copy by depositing the same at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (c) by email to **AGM.TeamE@boardroomlimited.com**.
8. Shareholders who submit questions via email or by post to the Company must provide the following information:
 - (a) the Shareholder's full name;
 - (b) the Shareholder's identification number (i.e., NRIC/Passport Nos./Company Registration Nos.);
 - (c) the Shareholder's address; and
 - (d) the manner in which the Shareholder holds shares in the Company (e.g., via CDP, CPF or SRS).

Any question without these identification details will not be entertained.
9. The Company will endeavour to address the substantial and relevant questions received from Shareholders in advance of the AGM by publishing its responses on SGXNet and the Company's website at <https://www.healthwaymedical.com/investor-relations/announcements/>, **on 21 April 2023 (Friday) after trading hours**.
10. The Company's responses to other questions addressed during the Live Webcast of the AGM, or follow-up questions on substantial and relevant matters received prior to the AGM will be published on SGXNet and the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/>, together with the minutes of the AGM within one (1) month after the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Voting at the AGM

11. A Shareholder who wishes to exercise his/her/its voting rights at the AGM may:

- (a) (where the Shareholder is an individual) vote “live” via electronic means at the AGM, or (whether the Shareholder is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote “live” via electronic means at the AGM on his/her/its behalf; or
- (b) (whether the Shareholder is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

CPF and SRS investors who wishes to exercise his/her/its voting rights at the AGM may:

- (a) vote “live” via electronic means at the AGM as proxies appointed by their respective CPF Agent Banks or SRS Operators, should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **2:00 p.m. on 17 April 2023 (Monday), being seven (7) working days before the date of AGM.**

12. A Shareholder who is not a relevant intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such Shareholder’s Proxy Form appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

A Shareholder who is a relevant intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such Shareholder’s Proxy Form appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

13. The Chairman of the Meeting, as proxy, need not be a Shareholder of the Company.

14. The proxy form for the AGM (“Proxy Form”) may be accessed on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company’s website at <https://www.healthwaymedical.com/investor-relations/announcements/>.

NOTICE OF ANNUAL GENERAL MEETING

15. The Proxy Form must be submitted through any one of the following means:

- (d) by depositing a physical copy at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (e) by sending a copy of the completed and executed Proxy Form via email to AGM.TeamE@boardroomlimited.com, in each case, **no later than 2:00 p.m. on 25 April 2023 (Tuesday)** (being not less than forty-eight (48) hours before the time fixed for the AGM).

Shareholders of the Company are strongly encouraged to submit completed proxy forms electronically via email.

16. In the case of submission of the Proxy Form, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

17. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

18. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

19. In the case of a Shareholder of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Documents for the AGM

20. Documents relating to the business of the AGM, which comprise the Company's annual report for the financial year ended 31 December 2022, as well as the Notice of AGM and the Proxy Form for the AGM ("**Documents**"), have been published on SGXNet and the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/> on 4 April 2023. Printed copies of the Documents will **NOT** be sent to Shareholders. The Company also seeks Shareholders' understanding and cooperation to adhere to the measures taken by the Company in light of the COVID-19 situation. Shareholders are advised to check on the Company's announcement(s) on SGXNet or the Company's corporate website for any changes or updates on this AGM, should there be any further measures recommended by the relevant authorities.

NOTICE OF ANNUAL GENERAL MEETING

Key dates/deadlines	
Key dates	Actions
9:00 a.m. on 4 April 2023 (Tuesday)	<ul style="list-style-type: none"> Shareholders may begin to pre-register at HMC AGM Website for Live Webcast of the AGM proceeding. Shareholders may begin to submit questions at HMC AGM Website.
5:00 p.m. on 12 April 2023 (Wednesday)	<ul style="list-style-type: none"> Deadline for Shareholders to submit questions.
2:00 p.m. on 17 April 2023 (Monday)	<ul style="list-style-type: none"> Deadline for CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
After trading hours on 21 April 2023 (Friday)	<ul style="list-style-type: none"> Company's responses on Shareholders' questions and/or answers to frequently asked questions made available to Shareholders on HMC AGM Website and on the SGXNet after trading hours.
2:00 p.m. on 24 April 2023 (Monday)	<ul style="list-style-type: none"> Deadline for Shareholders to pre-register for Live Webcast of the AGM proceeding.
2:00 p.m. on 25 April 2023 (Tuesday)	<ul style="list-style-type: none"> Deadline for Shareholders to submit proxy forms in respect of the resolutions tabled for approval at the AGM.
12:00 noon on 26 April 2023 (Wednesday)	<ul style="list-style-type: none"> Authenticated Shareholders will receive an email which will contain instructions as well as the link to access the Live Webcast of the AGM proceeding ("Confirmation Email"). Shareholders who do not receive the Confirmation Email by 12:00 noon on 26 April 2023 (Wednesday), but have registered by the 24 April 2023 (Monday) deadline should contact the Company at the following email address: hmcagm2023@healthwaymedical.com, with the following details included: <ul style="list-style-type: none"> (a) the Shareholder's full name; and (b) his/her/its identification/registration number.
Date and time of AGM – 2:00 p.m. on 27 April 2023 (Thursday)	<ul style="list-style-type: none"> Click on the link in the Confirmation Email and follow the instructions to access the Live Webcast of the AGM proceeding. <p>Shareholders may go to "Contact Support" at the bottom of the HMC AGM Website, in the event if there is any technical issue for login pre-AGM or during AGM.</p>

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing a proxy(ies) to attend and vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the Live Webcast to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Shareholders received before the Meeting and if necessary, following up with the relevant Shareholders in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Shareholder of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

HEALTHWAY MEDICAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200708625C)

PROXY FORM**ANNUAL GENERAL MEETING**

(Please see notes overleaf before completing this Form)

IMPORTANT

- The Sixteenth Annual General Meeting ("AGM") is being convened, and will be held by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company's annual report for the financial year ended 31 December 2022 as well as the Notice of AGM and the Proxy Form ("Documents") for the AGM have been published on SGXNet and the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/>. Printed copies of the Documents will **NOT** be sent to members of the Company ("Shareholder").
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via Live Webcast or Audio Only Means), submission of questions in advance of the AGM, addressing of substantial queries and relevant comments, prior to, or at, the AGM, are set out in the Notice of AGM.
- This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) including CPF/SRS Investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS Investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS Investors should approach their respective CPF Agent Bank or SRS Agent Bank (as the case may be) at least 7 working days before the AGM (i.e. by 2.00 p.m. on 17 April 2023) to specify voting instructions.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies) or the Chairman of the AGM as a Shareholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We, _____ (Name), NRIC/Passport No./Co. Reg. No. _____

of _____ (Address)

being a *Shareholder/Shareholders of Healthway Medical Corporation Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Email Address***	Proportion of Shareholdings	
				No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Email Address***	Proportion of Shareholdings	
				No. of Shares	%

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting (the "AGM") of the Company as *my/our proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means **on Thursday, 27 April 2023 at 2:00 p.m.** and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the Proxy Form appointing the Chairman of the AGM must be directed, i.e., the Shareholder must indicate for each resolution whether the Chairman of the AGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof.

The Ordinary Resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions Relating to:	For**	Against**	Abstain**
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements and Independent Auditor's Report for the financial year ended 31 December 2022			
2.	Re-election of Mr Chen Yeow Sin as a Director of the Company			
3.	Re-election of Ms Aliza Knox as a Director of the Company			
4.	Re-election of Dr Khor Chin Kee as a Director of the Company			
5.	Approval of payment of Directors' fees of S\$228,386 for the financial year ended 31 December 2022			
6.	Re-appointment of Messrs Ernst & Young LLP as Independent Auditor and to authorize the Directors of the Company to fix their remuneration			
Special Business				
7.	Authority to allot and issue shares pursuant to the Share Issue Mandate			

* Delete where inapplicable

** If you wish to exercise all your votes "For" or "Against", please indicate with a tick (✓) in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" as appropriate in each resolution. If you wish to "Abstain" from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.

*** Compulsory for registration purposes. All shareholders and proxyholders who wish to attend and participate in the Live Webcast of the AGM must pre-register via the pre-registration website. Authenticated shareholders and proxy(ies) will be provided with a confirmation email for the AGM containing details, as well as instructions on attending the AGM (the "Confirmation Email"), via the email address provided during pre-registration.

Dated this _____ day of _____ 2023

Total Number of Shares in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes: –

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman as proxy shall be deemed to relate to all the shares held by you.
2. Printed copies of the Notice of AGM, this Proxy Form and the Annual Report for the financial year ended 31 December 2022 (the “**Annual Report 2022**”) will not be sent to Shareholders. The Notice of AGM, this Proxy Form and the Annual Report 2022 may be accessed on SGXNet at <https://www.sgx.com/securities/company-announcements> or the Company’s corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/>.
3. A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM. The Proxy Form for the AGM may be accessed at the Company’s website at <https://www.healthwaymedical.com/investor-relations/announcements/> and is also available on SGXNet at <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM or at any adjournment thereof. Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.
4. A Shareholder who is not a Relevant Intermediary* is entitled to appoint not more than two (2) proxies. Where such Shareholder’s instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
5. A Shareholder of the Company who holds his/her/its shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions **at least seven (7) working days prior to the date of the AGM (i.e. by 2:00 p.m. on 17 April 2023 (Monday))**.
*A Relevant Intermediary has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.
6. Shareholders or their appointed proxy (other than the Chairman of the AGM) may speak and raise questions at the AGM. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than 5:00 p.m., on 12 April 2023 (Wednesday):
 - (a) via the Company’s website at <https://healthwaymedical.com/investor-enquiry-form/>; or
 - (b) in physical copy by depositing the same at the Company’s Share Registrar’s office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (c) by email to AGM.TeamE@boardroomlimited.com.
7. Shareholders who submit questions via email or by post to the Company must provide the following information:
 - (a) the Shareholder’s full name;
 - (b) the Shareholder’s identification number (ie NRIC/Passport Nos./Company Registration Nos.);
 - (c) the Shareholder’s address; and
 - (d) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).
8. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.
9. The Proxy Form must be submitted through any one of the following means:
 - (a) by depositing a physical copy at the Company’s Share Registrar’s office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) by sending a copy of the completed and executed Proxy Form via email to AGM.TeamE@boardroomlimited.com, in each case, no later than 2:00 p.m., on 25 April 2023 (Tuesday) (being not less than forty-eight (48) hours before the time fixed for the AGM).To minimise physical interactions and COVID-19 transmission risks, Shareholders of the Company are strongly encouraged to submit completed proxy forms electronically via email.
10. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
11. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
12. Where the Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
13. The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject such Proxy Form(s) if the Shareholders are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
14. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and vote thereat unless his/her/its name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, a Shareholder of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2023.



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