CONTENTS

	Page
CORPORATE INFORMATION	4
DEFINITIONS	6
GLOSSARY OF TECHNICAL TERMS	15
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	17
SELLING RESTRICTIONS	19
DETAILS OF THE INVITATION	20
INDICATIVE TIMETABLE FOR LISTING	24
OFFER DOCUMENT SUMMARY	25
THE INVITATION	29
SUMMARY FINANCIAL INFORMATION	30
RISK FACTORS	31
INVITATION STATISTICS	37
USE OF PROCEEDS AND LISTING EXPENSES	39
USE OF PROCEEDS	39
LISTING EXPENSES	40
PLAN OF DISTRIBUTION	41
DIVIDEND POLICY	43
SHARE CAPITAL	44
SHAREHOLDERS	46
OWNERSHIP STRUCTURE	46
MORATORIUM	51
DILUTION	54
RESTRUCTURING EXERCISE	55
GROUP STRUCTURE	65
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION OF OUR PROFORMA GROUP	69
FINANCIAL INFORMATION OF OUR PROFORMA GROUP	69
OVERVIEW	71
RESULTS OF OPERATIONS	74
REVIEW OF PAST PERFORMANCE	75

CONTENTS

RESULTS OF FINANCIAL POSITION 77
LIQUIDITY AND CAPITAL RESOURCES 79
SEASONALITY 80
INFLATION 80
EXCHANGE CONTROLS 81
FOREIGN EXCHANGE MANAGEMENT 81
SIGNIFICANT ACCOUNTING POLICY CHANGES 81

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION OF OUR CONSOLIDATED GROUP 82
FINANCIAL INFORMATION OF OUR CONSOLIDATED GROUP 82
RESULTS OF OPERATIONS 84
REVIEW OF PAST PERFORMANCE 85
RESULTS OF FINANCIAL POSITION 87
LIQUIDITY AND CAPITAL RESOURCES 90
CAPITAL EXPENDITURE AND DIVESTMENT 92

CAPITALISATION AND INDEBTEDNESS 93

GENERAL INFORMATION ON OUR GROUP 100
HISTORY 100
BUSINESS OVERVIEW 102
CENTRALISED ADMINISTRATIVE PLATFORM 107
MANAGEMENT CONTINUITY 108
MARKETING 108
QUALITY ASSURANCE 109
INSURANCE 111
PROPERTIES 112
INTELLECTUAL PROPERTY 118
GOVERNMENT REGULATIONS 118
RESEARCH AND DEVELOPMENT 123
MAJOR CUSTOMERS 123
MAJOR SUPPLIERS 123
CREDIT POLICY 124
INVENTORY MANAGEMENT 125
COMPETITION 126
COMPETITIVE STRENGTHS 126
PROSPECTS 127
OUR ORDER BOOK 128
BUSINESS STRATEGIES AND FUTURE PLANS 128

CONTENTS

INTERESTED PERSON TRANSACTIONS 131

PAST INTERESTED PERSON TRANSACTIONS 131

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS 135

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS 138

POTENTIAL CONFLICTS OF INTERESTS 139

DIRECTORS, MANAGEMENT AND STAFF 142

MANAGEMENT REPORTING STRUCTURE 142

DIRECTORS 143

EXECUTIVE OFFICERS 148

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION 150

EMPLOYEES 151

SERVICE AGREEMENTS 151

CORPORATE GOVERNANCE 153

DESCRIPTION OF ORDINARY SHARES 156

TAXATION 160

CLEARANCE AND SETTLEMENT 163

GENERAL AND STATUTORY INFORMATION 164

APPENDIX A - ACCOUNTANTS' REPORT ON THE UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION OF THE PROFORMA HMS GROUP FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2005, 2006 AND 2007 .... A-1

APPENDIX B - INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE CONSOLIDATED GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 .... B-1

APPENDIX C - SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY C-1

APPENDIX D - TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE D-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Fan Kow Hin (*Executive Chairman)* Dr Jong Hee Sen *(President and Executive Director)* Dr Wong Weng Hong (*Managing Director, Medical Services*) Siew Teng Kean *(Independent Director)* Png Paak Liang, Ivan *(Independent Director)* Arthur Raymond Ouellette *(Independent Director)* Kuek Chiew Hia *(Independent Director)*
COMPANY SECRETARY	:	Chan Fook Meng, LLB (Hons)
REGISTERED OFFICE	:	24 Raffles Place #19-01 Clifford Centre Singapore 048621 Telephone : (65) 6236 0100 Facsimile : (65) 6234 4134
SHARE REGISTRAR AND TRANSFER AGENT	:	Boardroom Corporate & Advisory Services Pte. Ltd. 3 Church Street #08-01 Samsung Hub Singapore 049483
MANAGER AND SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 1 Raffles Place #30-03 OUB Centre Singapore 048616
UNDERWRITER AND PLACEMENT AGENT	:	UOB Kay Hian Private Limited 80 Raffles Place #30-01 UOB Plaza 1 Singapore 048624
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Iyer Venkatachalam Venkiteswaran (a member of the Institute of Certified Public Accountants of Singapore)
SOLICITORS TO THE INVITATION	:	Drew & Napier LLC 20 Raffles Place #17-00 Ocean Towers Singapore 048620
SOLICITORS TO THE UNDERWRITER AND PLACEMENT AGENT	:	Wee Woon Hong & Associates 30 Raffles Place #19-04 Chevron House Singapore 048622
LEGAL ADVISERS TO THE COMPANY FOR THE RESTRUCTURING EXERCISE	:	UniLegal LLC 24 Raffles Place #19-01 Clifford Centre Singapore 048621

PRINCIPAL BANKERS	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809 United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 ABN AMRO Bank N.V. One Raffles Quay, South Tower Level 26 Singapore 048583
RECEIVING BANKER	:	The Bank of East Asia, Limited 137 Market Street BEA Building Singapore 048943
VENDOR	:	Universal Healthway Pte. Ltd. 2 Leng Kee Road #06-07 Thye Hong Centre Singapore 159086

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Group Companies

"Aaron CTP"	:	Aaron CTP Dental Surgery Pte. Ltd.
"Aaron Dentalcare"	:	Aaron Dentalcare Pte. Ltd.
"Aaron Seow"	:	Aaron Seow International Pte Ltd
"BCNG"	:	BCNG Holdings Pte. Ltd.
"China Healthway"	:	China Healthway Pte. Ltd.
"CLAAS"	:	CLAAS Medical Centre Pte. Ltd.
"Company" or "HMS"	:	Healthway Medical Corporation Limited (formerly known as Healthway Medical Services Pte. Ltd.). The terms "we", "our", "our Company" or "us" have correlative meanings
"Consolidated Group"	:	Our Company and our subsidiaries (excluding IOC, IOCH, SBCC S&T and SBCC Clinic)
"Group" or "Proforma Group" or "Proforma HMS Group"	:	Our Company and our subsidiaries (including IOC, IOCH, SBCC S&T and SBCC Clinic), following the completion of the Restructuring Exercise, treated for the purpose of this Offer Document as if the group structure had been in existence since 1 January 2005
"HME"	:	Healthway Medical Enterprises Pte Ltd
"HMG"	:	Healthway Medical Group Pte Ltd
"IOC"	:	Island Orthopaedic Consultants Pte Ltd
"IOCH"	:	Island Orthopaedic Consultants Holdings Pte. Ltd.
"Peace Family (AMK)"	:	Peace Family Clinic and Surgery (AMK) Pte. Ltd.
"Peace Family (Anchorvale)"	:	Peace Family Clinic and Surgery (Anchorvale) Pte. Ltd.
"Peace Family Clinics"	:	The three clinics operating under the clinic name of Peace Family Clinic & Surgery at Ang Mo Kio, Anchorvale and Sembawang
"Peace Family (Sembawang)"	:	Peace Family Clinic and Surgery (Sembawang) Pte. Ltd.
"Picton"	:	Picton Medical Centre Pte. Ltd.
"Popular (CCK)"	:	Popular Dental (CCK) Pte. Ltd.
"Popular (Woodlands)"	:	Popular Dental (Woodlands) Pte. Ltd.
"SBCC Clinic"	:	SBCC Clinic Pte Ltd
"SBCC S&T"	:	SBCC Services & Trading Pte Ltd

"SC 21"	:	Silver Cross 21 Pte. Ltd.
"SC 24hrs"	:	Silver Cross 24hrs Pte Ltd
"SC AC"	:	Silver Cross AC Pte. Ltd.
"SC Healthcare"	:	Silver Cross Healthcare Pte Ltd
"SC Medical"	:	Silver Cross Medical Centre Pte Ltd
"SC North"	:	Silver Cross North Pte Ltd
"Thomson Paediatric"	:	Thomson Paediatric Clinic Pte Ltd
"Unimedic"	:	Unimedic Pte. Ltd.
"Universal Dentalcare"	:	Universal Dentalcare Pte Ltd
"Universal (Braddell)"	:	Universal Dental Group (Braddell) Pte. Ltd.
"Universal (Woodlands)"	:	Universal Dental Group (Woodlands) Pte. Ltd.
"Vista"	:	Vista Medicare Pte. Ltd. (formerly known as BUPA Healthcare Singapore Pte Ltd)

Other Corporations and Agencies

"Authority" or "MAS"	:	The Monetary Authority of Singapore
"ABN AMRO"	:	ABN AMRO Bank N.V.
"BLSY"	:	BLSY Pte. Ltd. (formerly known as Silver Cross Family Pte Ltd), one of the vendors in respect of SC 21, SC 24hrs and SC North
"BLSY3"	:	BLSY3 Pte. Ltd. (formerly known as Silver Cross Holdings Pte. Ltd.), one of the vendors in respect of SC AC
"BUPA"	:	The British United Provident Association Limited
"BUPA Healthcare Asia"	:	BUPA Healthcare Asia Pte Ltd
"CDP"	:	The Central Depository (Pte) Ltd
"Citibank"	:	Citibank, N.A., Singapore Branch
"Crane Medical"	:	Crane Medical Pte. Ltd. (formerly known as Crane Holdings Pte. Ltd.)
"DBS Bank"	:	DBS Bank Ltd.
"HDB"	:	Housing and Development Board of Singapore
"Hong Leong Finance"	:	Hong Leong Finance Limited
"HSA"	:	Health Sciences Authority of Singapore
"MOH"	:	Ministry of Health of Singapore

"MOM"	:	Ministry of Manpower of Singapore
"Participating Banks"	:	DBS Bank (including POSB), United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the "UOB Group") and Oversea-Chinese Banking Corporation Limited ("OCBC")
"Placement Agent" or "Underwriter" or "UOBKH"	:	UOB Kay Hian Private Limited
"Popular Dental"	:	The partnership that operated the dental business under the service name of "Popular" at Choa Chu Kang. The dental business at Choa Chu Kang was subsequently assumed by Popular (CCK) when it was incorporated in May 2007
"Republic Investment"	:	Republic Investment Management Pte Ltd
"Silver Cross Companies"	:	SC 21, SC 24hrs, SC AC, SC Healthcare, SC Medical and SC North
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SDC"	:	Singapore Dental Council
"SGX-ST" or the "Exchange"	:	Singapore Exchange Securities Trading Limited
"SMC"	:	Singapore Medical Council
"Sponsor" or "Manager" or "PPCF"	:	PrimePartners Corporate Finance Pte. Ltd.
"Standard Chartered"	:	Standard Chartered Bank
"UH" or "Vendor"	:	Universal Healthway Pte. Ltd.
"UOB"	:	United Overseas Bank Limited
"Universal Dental Group"	:	The sole proprietorship that operated the dental business under the service name of "Universal" at Braddell and Woodlands. These dental business entities were subsequently assumed by Universal (Braddell) and Universal (Woodlands) when they were incorporated in June and July 2006
"Vista Healthcare"	:	Vista Healthcare Asia Pte Ltd

General

"Acquired Entities"	:	The companies and businesses which were acquired by Unimedic, HMG and HME in connection with the Restructuring Exercise as described in the section entitled "Restructuring Exercise" of this Offer Document
"Acquired Share Entities"	:	The Acquired Entities excluding Aaron CTP, Aaron Dentalcare, Aaron Seow, Healthway Woodlands Family Clinic, Peace Family Clinics and Picton
"Application Forms"	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document

"Application List"	:	The list of applications for subscription and/or purchase of the Invitation Shares
"Articles" or "Articles of Association"	:	Articles of Association of the Company
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the aggregate of the nominal amount of all the voting shares; (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Associated Company"	:	In relation to a corporation, means: (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20% but not more than 50% of the aggregate of the nominal amount of all the voting shares; or (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially
"ATM"	:	Automated teller machines of a Participating Bank
"Audit Committee"	:	The audit committee of our Company for the time being
"Board" or "Board of Directors"	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
"Catalist Rules"	:	Any or all of the rules in Section B of the Listing Manual, as the case may be
"CEO"	:	Chief Executive Officer

"CLN"	:	Convertible loan notes issued by UH with an aggregate value of $20,215,888 to the shareholders of UH, Passive Investors and Republic Investment as described in the sections entitled "Shareholders" and "Restructuring Exercise" of this Offer Document
"CLN Holders"	:	Holders of the CLNs, being shareholders of UH, Passive Investors and Republic Investment
"CME"	:	Continuing medical education
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore
"Controlling Shareholder"	:	In relation to a corporation, (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or (b) a person who has an interest of 15% or more of the aggregate of the nominal amount of all the voting shares in a corporation, unless he does not exercise control over the corporation
"Convertible Bonds"	:	Convertible bonds issued by UH with an aggregate value of $15,000,000 to the Convertible Bondholders pursuant to the subscription agreement as described in the section entitled "Shareholders" of this Offer Document
"Convertible Bondholders"	:	Kim Eng Securities Pte Ltd, Lee Woo Sau Yin Gloria, The Money Corporation Ltd, Erica Audrey Lai Tseng Han, Zhong-Hsin (Singapore) Pte Ltd, Tan Boon Piang, Khoo Siew Hwa and Tong Weng Kin
"Dentists Act"	:	Dentists Act (Chapter 76) of Singapore
"Directors"	:	The Directors of our Company as at the Latest Practicable Date
"Doctor Shareholders"	:	Vendors of the Acquired Share Entities who will be issued an aggregate of 217,787,092 Shares as described in the section entitled "Shareholders" of this Offer Document
"Electronic Applications"	:	Applications for the Offer Shares made through an ATM or through the IB website of one of the Participating Banks in accordance with the terms and conditions of this Offer Document
"EPS"	:	Earnings per Share
"Ethical Code"	:	The Ethical Code of the SMC
"Ethical Guidelines"	:	The Ethical Guidelines of the SMC
"Executive Directors"	:	The executive directors of our Company as at the Latest Practicable Date
"Executive Officers"	:	The executive officers of our Group as at the Latest Practicable Date

"Exposure Period"	:	The minimum period of 14 calendar days (unless extended by the Exchange) following the lodgement of this Offer Document by the Sponsor with the Exchange, during which this Offer Document is exposed for public comment
"Factories Act"	:	Factories Act (Chapter 104) of Singapore
"Final Acquisition"	:	The acquisition of IOC, IOCH, SBCC Clinic and SBCC S&T by Unimedic in connection with the Restructuring Exercise as described in the section entitled "Restructuring Exercise" of this Offer Document, which was completed after the Exposure Period but prior to the Registration
"FP2006"	:	Financial period from 16 February 2006 to 31 December 2006
"FY"	:	Financial year ended or, as the case may be, ending 31 December
"GST"	:	Goods & Services Tax
"Hospitals Act"	:	Private Hospitals and Medical Clinics Act 1980 (Chapter 248) of Singapore
"IB"	:	Internet Banking
"Independent Directors"	:	The independent directors of our Company as at the Latest Practicable Date
"Invitation"	:	The invitation by our Company to the public in Singapore to subscribe for and/or purchase the Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
"Invitation Price"	:	$0.36 for each Invitation Share
"Invitation Shares"	:	The 135,500,000 Shares which are the subject of the Invitation comprising 95,500,000 New Shares and 40,000,000 Vendor Shares
"Latest Practicable Date"	:	27 May 2008, being the latest practicable date for the purposes of the lodgement of this Offer Document with the SGX-ST
"Listing Manual"	:	The provisions of Section A and B of the Listing Manual of the SGX-ST as from time to time amended, modified or supplemented
"Management Agreement"	:	The full sponsorship and management agreement between our Company, the Vendor and PPCF pursuant to which PPCF shall sponsor and manage the Invitation, as described in the sections entitled "Plan of Distribution" and "General and Statutory Information" of this Offer Document
"Management Buy-out"	:	The acquisition by UH of HMG, HME and Vista from BUPA Healthcare Asia, as described in the section entitled "General Information on our Group – History" of this Offer Document

"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Medical Registration Act"	:	Medical Registration Act (Chapter 174) of Singapore
"Medicine Act"	:	Medicine Act (Chapter 176) of Singapore
"Minority Shareholders of UH"	:	Shareholders of UH who hold less than 5% of the share capital of UH excluding Dr Wong Weng Hong and the UH Minority Associates, as described in the section entitled "Shareholders" of this Offer Document
"NAV"	:	Net assets value
"New Shares"	:	The 95,500,000 new Shares for which we invite applications to subscribe for pursuant to the Invitation, subject to and on the terms and conditions of this Offer Document
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
"Non-executive Directors"	:	The non-executive directors of our Company (including Independent Directors) as at the Latest Practicable Date
"NETS"	:	Network for Electronic Transfers (Singapore) Pte Ltd
"NTA"	:	Net tangible assets
"NTL"	:	Net tangible liabilities
"Nurses Act"	:	Nurses and Midwives Act (Chapter 209) of Singapore
"Offer"	:	The offer by our Company and the Vendor of the Offer Shares to the public in Singapore for subscription and/or purchase at the Invitation Price subject to and on the terms and conditions of this Offer Document
"Offer Document"	:	This offer document dated 26 June 2008 issued by our Company in respect of the Invitation
"Offer Shares"	:	1,000,000 of the Invitation Shares which are the subject of the Offer
"Passive Investors"	:	Ocean Century Group Limited, Kee Teck Leong, Cheung Tuck Wei, Tan Yeok Leng, Leong Fatt On, David Yan Kin Pung, Tan Kheen Chow, Lam Swee Sum and Rachel Leong Mei Ying
"PER"	:	Price earnings ratio
"period under review"	:	The period which comprises FY2005, FY2006 and FY2007
"Placement"	:	The placement of the Placement Shares by the placement agent(s) on behalf of our Company and the Vendor for subscription and/or purchase at the Invitation Price subject to and on the terms and conditions of this Offer Document
"Placement Shares"	:	134,500,000 of the Invitation Shares which are the subject of the Placement

"PRC" or "China"	:	People's Republic of China, excluding Macau and Hong Kong for the purposes of this Offer Document and for geographical reference only
"Radiation Protection Act"	:	Radiation Protection Act (Chapter 262) of Singapore
"Registration"	:	The registration of this Offer Document in its final form by the SGX-ST on behalf of the Authority
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
"Restructuring Exercise"	:	The corporate restructuring and expansion exercise undertaken in connection with the Invitation as described in the section entitled "Restructuring Exercise" of this Offer Document
"Securities Account"	:	The securities account maintained by a depositor with CDP
"SFA" or "Securities & Futures Act"	:	The Securities and Futures Act (Chapter 289) of Singapore
"SFRS"	:	Singapore Financial Reporting Standards
"SGXNET"	:	The Exchange's network, a system used by listed companies in sending information and announcements to the Exchange or any other system networks prescribed by the Exchange
"Shares"	:	Ordinary shares in the capital of our Company
"Shareholder(s)"	:	Shareholders of our Company
"Substantial Shareholders"	:	Persons who have an interest in the Shares, the nominal amount of which is not less than 5% of the aggregate of the nominal amount of all the voting shares of our Company
"TCM Act"	:	Traditional Chinese Medicine Practitioners Act (Cap. 333A)
"TCM Practitioners Board"	:	The Traditional Chinese Medicine Practitioners Board is a statutory board established under the TCM Act
"UH Capitalisation 1"	:	The capitalisation by our Company of the aggregate amount due to UH of $6,261,716 with the issue of an aggregate of 857,769,323 Shares to UH and the shareholders of UH as described in the section entitled "Restructuring Exercise" of this Offer Document
"UH Capitalisation 2"	:	The capitalisation by our Company of the aggregate amount due to UH of $1,332,617 with the issue of an aggregate of 182,550,252 Shares to CLN Holders (except for Republic Investment), Convertible Bondholders, PPCF and DBS Bank or its nominees as described in the section entitled "Restructuring Exercise" of this Offer Document
"UH Minority Associates"	:	Wong Pang Kin, Wellpool International Limited, Fan Kwee Lan and Aathar Ah Tuk Henry, being certain minority shareholders of UH who are also associates of and/or related to certain of our Directors, as described in the section entitled "Shareholders" of this Offer Document

"Vendor Shares"	:	The 40,000,000 issued and fully paid-up Shares for which the Vendor invites applications to purchase pursuant to the Invitation, subject to and on the terms and conditions of this Offer Document

Currencies, Units and Others

"$" or "S$" and "cents"	:	Singapore dollars and cents respectively
"%" or "per cent."	:	Per centum
"sq ft"	:	Square feet
"sq m"	:	Square metre
"US$" and "US cents"	:	United States dollars and cents respectively

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document, the Application Forms and Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document, the Application Forms and Electronic Applications shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document shall be a reference to Singapore time unless otherwise stated.

References in this Offer Document to "the Group", "we", "our", and "us" refer to our Group.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Certain names with Chinese characters have been translated into English names. Such translations are provided solely for the convenience of investors and may not have been registered with the relevant PRC authorities and as such, should not be construed as representations that the English names actually represent the Chinese characters.

Unless we indicate otherwise, all information in this Offer Document is presented on the basis of the Proforma Group.

The glossary contains explanations of certain technical terms and abbreviations used in this Offer Document in connection with our Group and our business. The terms and abbreviations and the assigned meanings may not correspond to standard industry meanings and usage of these terms.

"aesthetic medicine"	:	The medical practice which provides mainly non-surgical procedures and some minor surgical procedures, such as skin rejuvenation using radio frequency and lasers, intense pulse light, and the use of fillers and botox injections to improve the physical appearance of a person
"cardiology"	:	The medical practice concerned with the structure, function, and disorders of the heart
"clinic"	:	An establishment where patients are admitted for examination and treatment by a physician or physicians, usually on an out-patient basis
"chronic"	:	Persisting over a long period of time
"dentistry"	:	The medical practice concerned with the teeth, oral cavity, and associated structures, including the diagnosis and treatment of their diseases and the restoration of defective and missing tissue
"endodontics"	:	The branch of dentistry concerned with the etiology, prevention, diagnosis, and treatment of conditions that affect the tooth pulp, root, and periapical tissues
"family medicine"	:	Also called family practice. The medical practice which provides continuing and comprehensive health care for the individual and the family. The scope of family practice encompasses all ages, both sexes, each organ system, and every disease entity
"health benefits management"	:	Payments and organisational arrangements for healthcare provision to organisations
"minor surgery"	:	Surgery restricted to the management of minor problems and/or injuries
"neurology"	:	The medical practice that deals with the nervous system, both normal and in disease
"orthodontics"	:	The dental practice of preventing and correcting irregularities and misalignment of the teeth, e.g. by the use of braces
"orthopaedics"	:	The medical practice that deals with the prevention and correction of injuries or disorders of the skeletal system and associated muscles, joints, and ligaments, often by surgery
"paediatrics"	:	The medical practice dealing with children, their development and care, and with the nature and treatment of diseases of children
"periodontics"	:	The medical practice concerned with the care and treatment of the tissues surrounding and supporting the teeth. Also called *periodontia*
"prosthodontics"	:	The medical practice that deals with the replacement of missing teeth and related mouth or jaw structures by artificial devices

GLOSSARY OF TECHNICAL TERMS

"SARS"	:	Severe Acute Respiratory Syndrome
"sports medicine"	:	The medical practice that deals with the physiology and the total medical care of the exercising individual
"TCM"	:	The range of traditional medical practices originating in China that was developed over several thousand years. TCM practices include theories, diagnoses and treatments such as herbal medicine, acupuncture and therapeutic massage
"wellness"	:	The concept of a balanced and healthy life and the active processes and treatments taken to achieve this state including maintaining good nutrition, exercise and stress-control

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by the Vendor, us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

(a) our revenue and profitability;

(b) expected growth in demand;

(c) expected industry trends;

(d) anticipated expansion plans; and

(e) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

(a) changes in political, social and economic conditions and the regulatory environment in Singapore and other countries in which we conduct business;

(b) changes in currency exchange rates;

(c) our anticipated growth strategies and expected internal growth;

(d) changes in the availability and prices of medical supplies and equipment which we require to operate our business;

(e) changes in customer preferences;

(f) changes in competitive conditions and our ability to compete under such conditions;

(g) changes in our future capital needs and the availability of financing and capital to fund such needs; and

(h) other factors beyond our control.

Please refer to the section entitled “Risk Factors” of this Offer Document for further details.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. None of the Vendor, our Company, the Manager and Sponsor, the Underwriter and Placement Agent or any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of the Offer Document but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement or matter in the Offer Document; (b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the registration of the Offer Document by the SGX-ST on behalf of the Authority and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document with the SGX-ST.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the filing and/or lodgement of this Offer Document in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by the Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions.

LISTING ON THE CATALIST

PPCF has made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued (including the Vendor Shares) and the New Shares which are the subject of the Invitation. Such permission will be granted when we have been admitted to the Catalist. Our acceptance of applications will be conditional upon, *inter alia*, the issue of New Shares and upon permission being granted by the SGX-ST to deal in, and for quotation of, all our existing issued Shares (including the Vendor Shares) and the New Shares. If the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent. No Shares will be allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST on behalf of the Authority.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor certifying that the Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the shares or units of shares being offered for investment.

Admission to the Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our existing issued Shares (including the Vendor Shares) or the New Shares.

A copy of this Offer Document has been lodged with the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST on behalf of the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The SGX-ST has not, in any way, considered the merits of our existing issued Shares (including the Vendor Shares) or the New Shares, as the case may be, being offered or in respect of which an invitation is made, for investment. We have not lodged this Offer Document in any other jurisdiction.

We are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document but before the close of the Invitation, we become aware of:

(a) a false or misleading statement or matter in the Offer Document;

(b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or

(c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST that would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Invitation Shares and:

(a) where the Invitation Shares have not been issued and/or transferred to the applicants, our Company and the Vendor shall:

   (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

   (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

   (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company (and on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom; or

(b) where the Invitation Shares have been issued and/or transferred to the applicants, our Company and the Vendor shall:

   (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

   (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company and/or the Vendor the Invitation Shares, which they do not wish to retain title in; or

   (iii) treat the issue and/or sale of the Invitation Shares as void, in which case the issue and/or sale shall be deemed to be void and our Company (and on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company (and on behalf of the Vendor) shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company, the Vendor, the Manager and Sponsor or the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Invitation Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to our Company, whereupon our Company (and on behalf of the Vendor) shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Shares shall be deemed to be void, and he will not have any claim against our Company, the Vendor, the Manager and Sponsor or the Underwriter and Placement Agent.

This Offer Document has been seen and approved by our Directors and the Vendor and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and all expressions of opinion, intention and expectation in this Offer Document are fair and accurate in all material respects as at the date of this Offer Document and that there are no material facts the omission of which would make any statements in the Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group.

Neither our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Invitation Shares are offered for subscription and/or purchase solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the Invitation Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation of the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.	**UOB Kay Hian Private Limited**
1 Raffles Place	**80 Raffles Place**
#30-03 OUB Centre	**#30-01 UOB Plaza 1**
Singapore 048616	**Singapore 048624**

and members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Offer Document is also available on the SGX-ST website http://www.sgx.com.

The Invitation will be open from 27 June 2008 to 2 July 2008.

The Application List will open at 10.00 a.m. on 27 June 2008 and will remain open until 12.00 noon on 2 July 2008 or for such further period or periods as our Directors and the Vendor may, in consultation with the Manager and Sponsor, and the Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Invitation Shares are set out in Appendix D of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of initial public offering shares is set out below:

Indicative date/time	Event
2 July 2008 at 12.00 noon	Close of Application List
3 July 2008	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
4 July 2008 at 9.00 a.m.	Commence trading on a "ready" basis
9 July 2008	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 2 July 2008, the date of admission of our Company to the Catalist is 4 July 2008, the shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 4 July 2008.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a "ready" basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

(a) through a SGXNET announcement to be posted on the internet at the SGX-ST website http://www.sgx.com; and

(b) in a local newspaper(s).

We will publicly announce the level of subscription and the results of the distribution of the Invitation Shares pursuant to the Invitation, as soon as it is practicable after the close of the Application List through channels in (a) and (b) above.

Investors should consult the SGX-ST's announcement on "ready" trading date on the Internet (at SGX-ST website http://www.sgx.com), or the newspapers or check with their brokers on the date on which trading on a "ready" basis will commence.

The following summary highlights certain information found in greater detail elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. In addition to this summary, we urge you to read the entire Offer Document carefully, especially the section entitled "Risk Factors" of this Offer Document, before deciding to invest in our Shares.

Our Group

Our Group is one of the largest private outpatient medical service providers in Singapore, offering quality healthcare services across the medical value chain in family medicine, specialists care, dental and oral care and medical aesthetics. We operate 11 medical practice groups comprising more than 80 clinics.

Our Group's business may be principally categorised as follows:

(a) Primary Healthcare, comprising family medicine, dentistry and healthcare benefits management; and

(b) Specialist & Wellness Healthcare, comprising paediatrics, orthopaedics (in particular, orthopaedic surgery and sports medicine), aesthetic medicine and TCM.

Please refer to section entitled "General Information on our Group – Business Overview" of this Offer Document for further details.

Our Competitive Strengths

We believe our competitive strengths are as follows:

(a) Market reputation

Our Group has a strong market reputation in the fields of family medicine, paediatrics, orthopaedics, dentistry and aesthetic medicine, and is among the largest and most well-recognised practice groups in each of these fields. Individually, many of our physicians and surgeons are highly qualified and some are specialists in their respective fields.

(b) Extensive network of clinics

Our extensive and well-located network of over 80 clinics gives patients the benefit of being treated by our physicians at convenient locations in Singapore. Our Group has over 100 physicians on staff to provide a comprehensive range of medical services to our patients.

(c) Experienced management team

The growth of our business may be attributed to the efforts of our experienced and committed management team and employees. Our Group is led by our Executive Directors, Dr Wong Weng Hong, who has extensive experience in the healthcare industry, and Fan Kow Hin and Dr Jong Hee Sen, who have extensive experience in corporate development. Collectively, Dr Wong Weng Hong, Fan Kow Hin and Dr Jong Hee Sen have an aggregate of over 30 years of experience in the healthcare industry and in corporate development.

(d) Integrated healthcare benefits approach

We are able to provide our corporate clients and insurance companies with healthcare benefits management plans and third party administration, using our proprietary information system and extensive panel of affiliated clinics. Such healthcare benefits management plans provide primary to tertiary healthcare covering outpatient visits to hospitalisation. This approach allows us to provide cost effective and efficient arrangements for our corporate clients, thereby allowing us to develop closer ties with them.

Please refer to section entitled "General Information on our Group – Competitive Strengths" of this Offer Document for further details.

Our Prospects

We expect to benefit from the increase in demand for healthcare services, especially in the specialist and wellness fields. Our Directors are of the view that the healthcare service industry in Singapore will continue to grow as a result of the following main factors:

(a) Rising affluence and educational levels

Singapore's rising affluence and higher standard of living, coupled with a higher incidence of diseases of affluence such as diabetes, hypertension, heart disease, stroke and cancer, have resulted in greater interest in the prevention, early detection and good treatment of common ailments, chronic diseases, dental problems and cancers.

(b) Government initiatives

Singapore is a recognised regional medical hub which attracts many overseas patients annually for excellent, accessible and a wide range of medical services. In addition, SingaporeMedicine, a multi-agency government initiative was launched in 2003 to promote and establish Singapore as one of Asia's leading medical hubs. Its goal is to attract one million foreign patients annually by 2012.

Since 2001, the Singapore government has introduced initiatives to increase national birth rates. In 2004, the Singapore government implemented a $300 million pro-family package to promote parenthood. This could potentially encourage families to have more children, which would increase the demand for medical services, especially paediatric services.

Since October 2006, the Singapore government also approved the use of Medisave funds for treatment of several chronic illnesses at both private and public outpatient clinics. This is expected to increase the number of patients seeking medical care at private family clinics for their long-term illnesses as the population ages.

In March 2008, the Singapore government has also announced the implementation of means testing from January 2009 at all the public hospitals and this is expected to increase the number of local patients seeking private specialist healthcare and hospitalisation.

(c) Demography and changing lifestyles

Changes in demography in Singapore such as an aging population and increasing immigration are set to increase the demand for medical services.

Demand for orthopaedic services will also increase as a result of an aging population, where good orthopaedic services will allow the elderly to achieve good mobility and functionality, and maintain a high quality of life.

In addition, as a greater number of people participate in sporting activities in order to maintain a healthy and active lifestyle, the occurrences of sports-related injuries will also increase correspondingly, thereby increasing the demand for orthopaedic services.

Please refer to section entitled "General Information on our Group – Prospects" of this Offer Document for further details.

Our Business Strategies and Future Plans

We aim to develop our Group into a leading healthcare service provider in Singapore and Asia on the basis of the core philosophy of providing "*Personal, Caring and Consistent Medical Services*". We believe in making our services very accessible and amongst the best our patients can find. In line with this vision, we have embarked on an active expansion plan based on organic growth, as well as appropriate joint ventures and/or acquisitions of established healthcare businesses that are reputable in their fields.

Our business strategies and future plans aim to strengthen our competitive strengths and sustain future growth and are as follows:

(a) Expanding and enhancing integrated healthcare services

Our Group currently provides a wide range of healthcare services ranging from preventive care, general and specialist medical care, to aesthetic medicine and dental procedures for patients of all age groups. We will continue to focus on improving the scope of our current medical services and facilities, as well as explore other specialist healthcare related fields which complement our services. We have identified our Specialist & Wellness Healthcare division as the key growth area for the immediate future and intend to add new specialist and wellness services to our range of medical services provided.

(b) Developing and enhancing medical service delivery platform

Our clinics and medical centres are strategically located at prominent areas with high human traffic, clear visibility and easy accessibility by both private and public transport. We provide a network of over 80 clinics and medical centres that reach out to our private and corporate patients at convenient locations in Singapore. We intend to continue identifying suitable sites to expand our clinic network in strategic locations for the provision of family medicine and specialist healthcare services. Our large network of primary care clinics provides an important channel for our specialist services.

(c) Improving the quality of our medical services

Our Group focuses on providing medical services that are both personalised and of good quality. Our physicians continuously pursue medical education, training and product knowledge, and capitalise on technology advancements to provide comprehensive and enhanced types of medical services and develop sub-specialities in their various medical fields. At the same time, costs to the patients are carefully controlled so as to maintain affordability with no compromise on the standard of care. We also intend to use information technology to provide better service through more efficient handling of patient data, a more efficient billing process and to streamline our inventory management.

(d) Developing our existing markets and enhancing our corporate positioning

We recognise the importance of consolidating and integrating our recently acquired medical practice groups into our Group. Our Group has medical practices with strong reputations in their respective fields. We aim to leverage on the strong existing positions of our medical practice groups to strengthen our business and expand the scale of our operations. By establishing a consistent and integrated corporate branding for our Group, we expect that our patients will come to identify “Healthway” as a trustworthy and accessible healthcare provider of the various healthcare services. We are currently undertaking a branding exercise where the “Healthway” brand name will be made the central focus of our Group’s underlying brand strategy to which our various medical practice groups will be linked.

(e) Overseas expansion

We believe that there are growth opportunities for our Group overseas and intend to grow our clinics and facilities through acquisitions, joint ventures and strategic alliances as and when such business opportunities arise. We believe that enhanced operational integration and wider market reach offered by selective acquisitions will further strengthen our competitive position. In our overseas expansion, we intend to focus on building the “Healthway” service name through establishing state-of-the-art medical facilities in key cities with a focus on our core competencies in family medicine, dentistry, paediatrics and orthopaedics.

Please refer to section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document for further details.

Where you can find us

Our principal place of operations is in Singapore. Our registered office is located at 24 Raffles Place #19-01 Clifford Centre, Singapore 048621. Our business address is at 2 Leng Kee Road, #06-07, Thye Hong Centre, Singapore 159086. Our telephone number is (65) 6226 6666 and our facsimile number is (65) 6479 5347. Our internet address is www.healthwaymedical.com. **Information contained in our website does not constitute part of this Offer Document.**

Invitation Size	:	135,500,000 Invitation Shares comprising 95,500,000 New Shares and 40,000,000 Vendor Shares offered in Singapore by way of public offer and placement. The New Shares will, upon issue and allotment, rank *pari passu* in all respects with the existing issued Shares (including the Vendor Shares).
Invitation Price	:	$0.36 for each Invitation Share.
The Offer	:	The Offer comprises an invitation by our Company and the Vendor to the public in Singapore to subscribe for and/or purchase 1,000,000 Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
The Placement	:	The Placement comprises a placement of 134,500,000 Placement Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
Purpose of the Invitation	:	Our Directors consider that the listing of our Company and the quotation of our Shares on the Catalist will enhance our public image locally and overseas and enable us to tap the capital markets for the expansion of our operations. The Invitation will also provide members of the public with an opportunity to participate in the equity of our Company. In addition, the proceeds of the Invitation will provide us with additional capital to finance our business expansion.
Listing status	:	Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on the Catalist, subject to admission of our Company to the Catalist and permission to deal in, and for quotation of, our Shares being granted by the SGX-ST.

The following financial information should be read in conjunction with the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007" and the "Independent Auditors' Report on the Audited Consolidated Financial Statements of the Consolidated Group for the Financial Year ended 31 December 2007" as set out in Appendices A and B of this Offer Document respectively.

	Unaudited Proforma			Audited	
($'000)	**FY2007**	**FY2006**	**FY2005**	**FY2007**	**FP2006**
Revenue	**84,608**	**75,632**	**66,566**	**42,797**	**16,907**
Profit before income tax[1]	20,058	18,266	16,385	6,235	999
Profit for the year[1]	**16,554**	**14,294**	**13,046**	**5,602**	**820**

Note:

(1) Had the Service Agreements been in effect for FY2007, our unaudited proforma profit before income tax and profit for the year and EPS for FY2007 would have been approximately $19.73 million, approximately $16.29 million and 1.29 cents respectively.

The EPS and the adjusted EPS set out below are for illustrative purposes only and are based on the pre-Invitation share capital of 1,259,500,000 Shares and the post-Invitation share capital of 1,355,000,000 Shares respectively.

	Unaudited Proforma				
	FY2007	**FY2006**	**FY2005**	**FY2007**	**FP2006**
EPS (cents)	1.31	1.13	1.04	0.44	0.07
Adjusted EPS (cents)	1.22	1.05	0.96	0.41	0.06

	Unaudited Proforma	Audited	
($'000)	**As at 31 December 2007**	**As at 31 December 2007**	**As at 31 December 2006**
Non-current assets	182,716	86,035	11,127
Current assets	31,751	18,446	4,992
Total assets	**214,467**	**104,481**	**16,119**
Current liabilities	26,140	13,384	9,916
Non-current liabilities	95,905	84,674	5,383
Total liabilities	**122,045**	**98,058**	**15,299**
Net assets	**92,422**	**6,423**	**820**
Total equity	**92,422**	**6,423**	**820**

The NAV per Share set out below is for illustrative purposes only and is based on the pre-Invitation share capital of 1,259,500,000 Shares.

($'000)	**Unaudited Proforma As at 31 December 2007**	**As at 31 December 2007**	**As at 31 December 2006**
NAV per Share (cents)[1]	7.34	0.51	0.07

Note:

(1) NAV is defined as total assets less total liabilities.

Investors should consider carefully the following risk factors and all other information contained in this Offer Document, before deciding to invest in our Shares. You should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties.

If any of the following risk factors and uncertainties develops into actual events, our business, financial condition or results of operations or cash flows may be adversely affected. In such circumstances, the trading price of our Shares could decline and investors may lose all or part of their investment. To the best of our Directors' belief and knowledge, all the risk factors that are material to investors in making an informed judgement have been set out below.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE AND OUR BUSINESS

Our business may be difficult to evaluate due to its relatively limited operating history under the management of UH and recent expansion into the specialist and wellness healthcare sector

Our Group, although started in 1990 by Dr Wong Weng Hong, has a relatively limited operating history under the management of UH. The relatively limited operating history and financial track record of our Group may not be an appropriate basis for investors to evaluate its future prospects and performance. HME, HMG and Vista were acquired by the management of UH via the Management Buy-out in February 2006. Our business operation expanded into the specialist and wellness healthcare sector with the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) in April and May 2007. The success of our business will depend, amongst other things, on how successful we are in developing our management expertise, leveraging on the brand name and reputation of the Acquired Entities, expanding our clinic networks and retaining skilled and qualified healthcare professionals. To continue to achieve profitability and growth, we will need to execute our future plans as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document. There is no assurance that we can sustain profitability or avoid losses in the future and our past operating results may not be indicative of our future financial performance.

We have substantial borrowings and may not be able to service our repayment obligations

As at 31 December 2007, on a proforma basis, assuming the banking facilities for payment of the consideration for the Acquired Entities had been utilised, we have a total outstanding debt comprising bank overdraft, bank loans and finance lease liabilities of $63.37 million representing 40.7% of our total capitalisation and indebtedness as at such date.

As at the date of lodgement of this Offer Document, our Proforma Group had total banking facilities of $92.89 million. Our Proforma Group intends to utilise up to $87.50 million of our total banking facilities for payment to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T and repayment to UH as detailed in the section entitled "Capitalisation and Indebtedness" of this Offer Document.

Accordingly, we have substantial payment obligations and must comply with financial and other covenants contained in our loan agreements as detailed in the section entitled "Capitalisation and Indebtedness – Contractual Commitments" of this Offer Document. Our ability to make payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate sufficient cash in the future, which will be subject to many factors beyond our control. In addition, we may be exposed to risks inherent in interest rate fluctuations because a substantial portion of our borrowings are at floating rates of interest, which would result in higher interest expense in the event of increases in interest rates.

The auditors' reports of certain companies in the Group have been qualified with non-observation of stock count and as a going concern for FY2005, FY2006 and FY2007

Stock-counts as at 31 December 2006 have not been observed for the preparation of the auditors' report of BCNG, SC 24hrs, SC Healthcare, SC North, SC 21, SC AC, SC Medical for the financial year ended 31 December 2006 and the auditors' report of BCNG for the financial year ended 31 December 2005. As such the relevant auditors' reports were qualified accordingly. BCNG, SC 24hrs, SC Healthcare, SC North, SC 21, SC AC, SC Medical were acquired by Unimedic in April and May 2007. The inventories of these entities were not acquired by Unimedic pursuant to their respective sale and purchase agreements. There is no impact on the unaudited proforma consolidated balance sheet of our Group as at 31 December 2007 as the observation of inventory count was conducted at the balance sheet date.

However medical supplies and consumables utilised as stated in the unaudited proforma consolidated income statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007 as well as the movements in inventories as stated in the unaudited proforma consolidated cashflow statements for the year ended 31 December 2007 might be misstated.

In addition, the auditors' report for Aaron Seow and Aaron Dentalcare for the financial year ended 31 December 2005 and the auditors' report for CLAAS for the financial year ended 31 December 2006 were modified with a going-concern remark.

We are dependent on skilled and qualified healthcare professionals

Our business is dependent on our ability to attract and retain skilled and qualified healthcare professionals. The ability to attract and retain them is dependent on several factors such as our continued reputation, the provision of a central administrative structure and facilities, financial remuneration and job satisfaction.

The majority of our doctors are employed on typical employment terms with the notice of termination ranging from one to three months, while the rest are on fixed term employment contracts ranging from one to three years. Although there is a constant effort to recruit highly qualified and suitable doctors as part of our Group's renewal process to ensure management continuity as detailed in the section entitled "General Information on our Group – Management Continuity" of this Offer Document, any loss of the services of our doctors without suitable and timely replacements would be detrimental to us.

As the healthcare industry is service-related, in the event that suitable and timely replacements are not available, our operations and financial performance may be adversely affected.

We are dependent on our specialist medical practitioners

Our specialist medical practice groups such as paediatrics and orthopaedics are well established and have strong market reputation. Our specialist medical practitioners are qualified and have extensive experience and skills in their respective fields and are employed on fixed term employment contracts with a minimum term until 31 December 2009. However, there is no assurance that the specialist medical practitioners will renew their employment with us upon the expiry of their employment contracts.

Although there is a constant effort to recruit highly qualified and suitable specialist medical practitioners as part of our Group's renewal process to ensure management continuity as detailed in the section entitled "General Information on our Group – Management Continuity" of this Offer Document, any loss of the services of our specialist medical practitioners without suitable and timely replacements would have an adverse impact on our financial performance.

We are dependent on our key management team

We attribute our success to the leadership and contributions of our management team comprising our Executive Directors, namely Fan Kow Hin, Dr Jong Hee Sen and Dr Wong Weng Hong, and our Executive Officers. Our continued success is therefore dependent to a large extent on our ability to retain our key management personnel who have extensive experience in the medical industry and who are responsible for formulating and implementing our growth, corporate development and overall business strategies. The demand for such experienced personnel is intense and the search for personnel with the relevant skill sets can be time consuming. The loss of our key management personnel without suitable or comparable replacements in a timely manner will have an adverse effect on our business, financial condition and results of operations.

We may not be able to compete successfully with our competitors

The industry in which we operate is highly competitive. We face competition from other healthcare service providers in Singapore from both the public and private sectors, some of whom may have longer operating histories, wider range of services, more advanced technologies and equipment, greater brand recognition and/or greater financial resources. Such competitors may be in a better position to expand their market share. Increased competition may result in lower profit margins and a loss of market share. There is no assurance that we will be able to compete against our competitors effectively in the future.

We may face more intense competition in the future from existing competitors and new entrants into the market. If we fail to compete effectively, maintain or grow our market share, our financial performance and prospects will be adversely affected.

We are exposed to potential litigation and professional liability

The provision of professional healthcare services entails inherent risks of liability. There is no assurance that there will not be medical and legal claims that are in excess of the amount covered by our medical insurance coverage or that such medical insurance coverage is comprehensive and covers all types of claims.

In addition, healthcare professionals may be subject to disciplinary actions from the governing professional body and they may be fined and/or have their licences suspended or revoked.

In the event of such claims or disciplinary actions against us or our healthcare professionals, there may be an adverse effect on our financial performance, professional standing and market reputation.

Our medical facilities are subject to lease renewals and relocation risks

Currently, we lease all the properties used by our medical facilities. The tenure of these leases range from one to five years. There is no assurance that we will be able to renew all of these leases or that we will be able to renew all of these leases at the prevailing rental rate. Failure to renew any of these leases, or to renew any of these leases at the prevailing rental rate, or early termination may force us to relocate the affected operations. Any increase in rental rate will increase our operating expenses. In addition, relocation of our operations will cause disruptions to our normal business operations and we may have to incur additional expenses. The inability to relocate our medical facilities to new premises that are in close proximity to the existing premises may lead to a loss of patients who live near the existing premises.

We are dependent on individual patients and corporate clients who opt for private healthcare services

We derive our revenue from individual patients as well as corporate clients.

The demand for private healthcare services is largely dependent on the financial ability and the willingness to pay for private healthcare services. A slowdown in the economy may lead to a decrease in demand for private healthcare services as more individual patients may opt for subsidised public healthcare services.

Corporate clients typically conduct periodic reviews on the level of medical benefits provided to their employees and any changes to these medical benefits may affect the value of our corporate contracts.

A decrease in the demand for private healthcare services from individual patients and corporate clients will have an adverse impact on our financial performance.

There is no assurance that our future plans will be commercially successful

We intend to expand our operations, locally and overseas, and such expansion plans may involve the set-up of new clinics, expansion of medical facilities, joint ventures and/or the acquisition of companies that are complementary to our existing businesses.

There is no assurance that such expansion plans will be commercially successful. Such expansion plans may be expensive and may divert our management's attention and expose our business to unforeseen liabilities or risks associated with entering new markets or new businesses.

We may also not be successful in integrating any acquired businesses and might not achieve the anticipated synergies for revenue growth and cost benefits. If we fail to achieve a sufficient level of revenue or if our expansion plans result in a lapse of customer service, performance problems with an acquired company, potential dilutive issuances of equity securities or the incurrence of debt, contingent liabilities, possible impairment charges related to goodwill or other intangible assets or any other unanticipated events or circumstances, our future financial position and performance may be materially and adversely affected.

Our financial performance may be affected by an impairment of the goodwill previously recorded due to our acquisitions

Our acquisitions of subsidiaries and business units, where the costs of such acquisitions were in excess of the fair value of the identifiable assets and liabilities acquired, have resulted in goodwill being recognised as an asset of our Group. As at 31 December 2007, on the audited consolidated basis, our Consolidated Group had goodwill amounting to approximately $74.72 million arising from the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T).

On a proforma basis, our Group had goodwill of approximately $171.09 million as at 31 December 2007.

Under SFRS 103 Business Combinations, goodwill arising from a business combination as recorded in our balance sheet will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with the revised SFRS 36 Impairment of Assets.

There may be an adverse effect on our financial results in financial periods where significant impairment in goodwill is identified and the impairment losses that arise are charged to the income statement.

Our medical facilities may be affected by outbreaks of infectious diseases

A resurgence of the outbreak of SARS or any other contagious or virulent diseases like bird flu in Singapore and the region could have a material adverse effect on our operations. In the event such outbreaks occur at any of our medical facilities, greater infection control measures will have to be implemented with the possibility of temporary closure of the affected facility and quarantine of all affected healthcare professionals.

In addition, occurrences of epidemics and pandemics could also result in negative public opinion on medical institutions, which will materially and adversely affect our operations and financial performance.

We are subject to regulations and licensing requirements governing the healthcare industry

Our healthcare professionals and medical facilities in Singapore are regulated by the MOH, SMC and SDC. These regulatory bodies stipulate the criteria that must be met before licences are granted and/or renewed in respect of our various medical facilities and healthcare professionals. In addition, we are also subject to licensing requirements of other statutory authorities such as the HSA and MOM. Further details of the regulations and licences that are required of our Group are set out in the section entitled "General Information on our Group – Government Regulations" of this Offer Document.

Any changes to the existing regulations or the failure to renew or withdrawal of licences may have an adverse impact on our operations and financial performance.

We are dependent on our Substantial Shareholder, UH, to provide financial support to secure certain of our banking facilities

On 28 May 2008, we obtained a short term loan of up to $22.50 million from Citibank, which is to be secured by a charge on cash deposits of not less than the full amount disbursed maintained with Citibank by UH. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for more details. In the event that UH does not maintain such cash deposits with Citibank, we will not be able to utilise the aforementioned short term loan facility from Citibank and our business and operations may be adversely affected.

RISKS RELATING TO OUR SHARES

Control by our Substantial Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Invitation, our Substantial Shareholders, Executive Directors and their Associates will collectively own approximately 50.27% of our post-Invitation share capital. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Group even if such change may be beneficial to our minority Shareholders.

Investors in our Shares will face immediate and substantial dilution in our NAV per Share and may experience future dilution

Our Invitation Price of $0.36 per Share is substantially higher than our Proforma Group's NAV per Share after adjusting for the estimated net proceeds due to our Company from the Invitation. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled "Dilution" of this Offer Document.

Future sales or issuance of our Shares could adversely affect our Share price

Any future sale or issuance or availability of a large number of our Shares in the public market or perception thereof may have a downward pressure on our Share price. These factors also affect our ability to sell additional equity securities in the future, at a time and price we deem appropriate. Save as disclosed under the section entitled "Shareholders – Moratorium" of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on the Catalist or otherwise.

In addition, our Share price may be under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods.

There has been no prior market for our Shares and the Invitation may not result in an active or liquid market and there is a possibility that our Share price may be volatile

Prior to the Invitation, there has been no public market for our Shares. Although we have made an application to the SGX-ST to list our Shares on the Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. There is also no assurance that the market price for our Shares will not decline below the Invitation Price. The market price of our Shares could be subject to significant fluctuations due to various external factors and events including the liquidity of our Shares in the market, difference between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Invitation

The trading price of our Shares may fluctuate significantly and rapidly after the Invitation as a result of, among others, the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in our assets and liabilities;
- changes in analysts' estimates of our financial performance or investor interest;
- additions or departures of our key executives;
- material changes or uncertainty in the political, economic and regulatory environment in the markets that we operate;
- fluctuations of stock markets prices and volume;

- involvement in litigation; and
- general economic and stock market conditions.

Negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Negative publicity or announcements relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception or the Share performance of our Company, whether or not it is justified. Examples of these include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

INVITATION PRICE	36.00 cents

NTA / (NTL)

Proforma NTA / (NTL) per Share based on the unaudited proforma balance sheet of our Group as at 31 December 2007 (the "**Proforma NTA / (NTL)**"):

(a)	before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	(6.89) cents
(b)	after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 1,355,000,000 Shares	(4.02) cents

Premium of Invitation Price per Share over the Proforma NTA / (NTL) per Share as at 31 December 2007:

(a)	before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	n.m(1)
(b)	after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 1,355,000,000 Shares	n.m(1)

NAV(2)

Proforma NAV per Share based on the unaudited proforma balance sheet of our Group as at 31 December 2007 (the "**Proforma NAV**"):

(a)	before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	7.34 cents
(b)	after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 1,355,000,000 Shares	9.21 cents

Premium of Invitation Price per Share over the Proforma NAV per Share as at 31 December 2007:

(a)	before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	390.5%
(b)	after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 1,355,000,000 Shares	290.9%

EPS

Proforma net EPS of our Group for FY2007 based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	1.31 cents
Proforma net EPS of our Group for FY2007 based on our Company's pre-Invitation share capital of 1,259,500,000 Shares had the Service Agreements been effected for FY2007	1.29 cents

PER

Proforma PER based on the proforma net EPS of our Group for FY2007	27.48 times
Proforma PER based on the proforma net EPS of our Group for FY2007 had the Service Agreements been effected for FY2007	27.91 times

NET OPERATING CASH FLOW (3)

Proforma net operating cash flow per Share of our Group for FY2007 based on our Company's pre-Invitation share capital of 1,259,500,000 Shares	1.38 cents
Proforma net operating cash flow per Share of our Group for FY2007 based on our Company's pre-Invitation share capital of 1,259,500,000 Shares had the Service Agreements been effected for FY2007	1.36 cents

PRICE TO NET OPERATING CASH FLOW RATIO

Ratio of Invitation Price to proforma net operating cash flow per Share for FY2007	26.09 times
Ratio of Invitation Price to proforma net operating cash flow per Share had the Service Agreements been effected for FY2007	26.47 times

MARKET CAPITALISATION

Market capitalisation based on the Invitation Price of 36.00 cents per Share and post-Invitation share capital of 1,355,000,000 Shares	$487.80 million

Notes:

(1) n.m. is defined as not meaningful.

(2) NAV is defined as the total assets less total liabilities.

(3) Net operating cash flow is defined as profit for the year with depreciation of property, plant and equipment and amortisation of intangible assets added back.

USE OF PROCEEDS

The net proceeds raised from the Invitation (comprising New Shares and Vendor Shares), after deducting estimated expenses of approximately $2.93 million, are approximately $45.85 million. We will not receive any of the proceeds from the Vendor Shares sold by the Vendor in the Invitation. The net proceeds attributable to the Vendor from the sale of the Vendor Shares (after deducting the Vendor's share of the estimated expenses of approximately $0.87 million) will be approximately $13.53 million.

The net proceeds to be raised by our Company from the issue of the New Shares (after deducting our share of the estimated issue expenses to be borne by us of approximately $2.06 million) will be approximately $32.32 million.

The following table sets out the breakdown of the use of net proceeds to be raised by our Company:

Intended Use	Amount in aggregate ($'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Invitation (as a % of gross proceeds)
To repay bank loans and/or secure additional banking facilities	20,000	58.2
To repay the balance of the cost of acquisition of the Acquired Entities and to expand our clinic network	7,000	20.4
To upgrade our computerised clinic management system and undertake a branding exercise	500	1.4
To fund our overseas expansion initiatives	3,000	8.7
Working capital and other general corporate purposes	1,816	5.3
TOTAL	**32,316**	**94.0**

Prior to the Invitation, our Group has secured revolving credit facilities of approximately $20.00 million from RHB Bank Berhad for the payment to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T in connection with the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T. Further details of the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T are set out in the section entitled "Restructuring Exercise" of this Offer Document. Such revolving credit facilities from RHB Bank Berhad will be secured by a charge and set off in respect of cash deposits of not less than $20.00 million in a fixed deposit account to be opened with RHB Bank Berhad and we intend to maintain such cash deposits by using the net proceeds of the Invitation.

Further details of our use of proceeds may be found in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

The foregoing discussion represents our Company's best estimate of its allocation of the net proceeds of the Invitation based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that the Company decides to reallocate the net proceeds of the Invitation for other purposes, our Company will publicly announce its intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST website, http://www.sgx.com.

Pending the deployment of the net proceeds from the issue of New Shares as aforesaid, the funds will be placed in short-term deposits or money market instruments, as our Directors may, in their absolute discretion, deem fit.

There is no minimum amount which, in the reasonable opinion of our Directors, must be raised by the Invitation.

LISTING EXPENSES

The estimated amount of the expenses of the Invitation and of the application for listing, including the placement commission, brokerage, management fees, audit and legal fees, fees payable to the SGX-ST as well as other incidental fees, to be borne by our Company and the Vendor in the proportion in which the Invitation Shares are offered by our Company and the Vendor, is approximately $2.93 million. A breakdown of these estimated expenses to be borne by our Company in relation to the Invitation is as follows:

Expenses borne by our Company	Estimated amount ($'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Invitation (% of the gross proceeds)
Listing and application fees	61	0.2
Professional fees	857	2.5
Placement commission and brokerage	860	2.5
Miscellaneous expenses	286	0.8
TOTAL	**2,064**	**6.0**

The amount of placement commission and brokerage per Invitation Share, agreed upon between UOBKH, the Vendor and our Company in relation to the Invitation, is 0.9 cents per Share.

The Invitation Price is determined by us and the Vendor, after negotiations with the Manager and Sponsor and the Underwriter and Placement Agent, based on market conditions and the estimated market demand for our Shares, determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Investors may apply to subscribe for and/or purchase any number of Invitation Shares in integral multiples of 1,000 Shares. In order to ensure a reasonable spread of shareholders, we have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted and/or allocated to any single applicant and/or to allot and/or allocate the Invitation Shares above or under such prescribed limit as we shall deem fit.

There are no arrangements whereby the number of Shares being offered pursuant to this Invitation may be increased by the exercise of an underwriter's over-allotment option.

Offer Shares

The Offer Shares are made available to the members of the public in Singapore for subscription at the Invitation Price.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company and the Vendor after consultation with the Manager and the Underwriter, and approved by the Sponsor.

Pursuant to the full sponsorship and management agreement ("Management Agreement") entered into between us, the Vendor and PPCF as set out in the section entitled "General and Statutory Information" of this Offer Document, PPCF has agreed to manage and sponsor the Invitation.

Pursuant to the underwriting agreement ("Underwriting Agreement") entered into between us, the Vendor and UOBKH as set out in the section entitled "General and Statutory Information" of this Offer Document, UOBKH has agreed to underwrite the Offer Shares.

Placement Shares

The Placement Shares are made available to retail and institutional investors who apply through their brokers or financial institutions by way of application forms.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Pursuant to the placement agreement ("Placement Agreement") entered into between us, the Vendor and UOBKH as set out in the section entitled "General and Statutory Information" of this Offer Document, UOBKH has agreed to subscribe and/or purchase or procure subscriptions for and/or purchasers for the Placement Shares at the Invitation Price. UOBKH may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Subscription for Invitation Shares

None of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Invitation Shares. As far as we are aware, none of the members of our Company's management or employees intends to subscribe for and/or purchase more than 5% of the Invitation Shares in the Invitation.

We are not aware of any person who intends to subscribe for and/or purchase more than 5% of the Invitation Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for and/or purchase Shares amounting to more than 5% of the Invitation Shares. If such person(s) were to make an application for more than 5% of the Invitation Shares pursuant to the Invitation and are subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be issued and allotted and/or allocated on the basis of this Offer Document later than six months after the date of registration of this Offer Document.

DIVIDEND POLICY

Our Company has not distributed any dividends since its incorporation on 16 May 2007.

We may declare an annual dividend with the approval of our Shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders.

We currently do not have a fixed dividend policy. The declaration and payment of dividends in the future will depend on the level of our retained earnings, expected future earnings, cash flow, financial condition, projected levels of capital expenditures and investment plans, including such legal or contractual restrictions as may apply from time to time, as well as general business conditions and other factors which our Directors may deem appropriate.

Future dividends will be paid by us as and when approved by our Shareholders and Directors. There can be no assurance that dividends will be paid in the future or as to the timing of any dividends that are to be paid in the future.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" of this Offer Document.

We were incorporated in Singapore on 16 May 2007 under the Companies Act as a private limited company under the name of "Healthway Medical Services Pte. Ltd." (registration number 200708625C). On 10 June 2008, we changed our name to "Healthway Medical Corporation Private Limited" and on 11 June 2008, we converted into a public company and changed our name to "Healthway Medical Corporation Limited".

As at the date of incorporation, our issued and paid-up capital was $1.00 comprising one Share. As at the Latest Practicable Date, our issued and paid-up capital was $1,394.33 comprising 1,393,333 Shares.

At an extraordinary general meeting held on 9 June 2008, our Shareholders approved, *inter alia*, the following:

(a) the conversion of our Company into a public limited company and the change of our name to "Healthway Medical Corporation Limited";

(b) the adoption of a new set of Articles of Association;

(c) the allotment and issue of 95,500,000 New Shares which are the subject of the Invitation, on the basis that the New Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing Shares; and

(e) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to

   (i) allot and issue Shares whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Instrument (as defined below) made or granted by our Directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares); 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 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 our Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares issued pursuant to such authority (including Shares to be issued pursuant to any Instrument but excluding Shares which may be issued pursuant to any adjustments ("Adjustments") effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), shall not exceed 100% of the issued share capital of our Company (excluding treasury shares) immediately after the Invitation, and provided that the aggregate number of such Shares to be issued other than on a *pro rata* basis in pursuance to such authority (including Shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing Shareholders shall not exceed 50% of the issued share capital of our Company (excluding treasury shares) immediately after the Invitation, and, unless revoked or varied by our Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting of our Company is required by law to be held, whichever is the earlier.

As at date of this Offer Document, there is only one class of shares in the capital of our Company, being the Shares. A summary of the Articles of Association of our Company relating to, among others, the voting rights of our Shareholders is set out under Appendix C entitled "Summary of Selected Articles of Association of our Company" of this Offer Document. There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. No person has been, or is permitted to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries.

SHARE CAPITAL

Details of changes in our issued and paid-up capital since our incorporation and immediately after the Invitation are as follows:

	Number of Shares	$
Issued and fully paid Shares as at 16 May 2007	1	1.00
Issue of new Shares	1,393,332	1,393.33
	1,393,333	1,394.33
Issue of new Shares pursuant to the Restructuring Exercise	1,258,106,667	85,997,686
Pre-Invitation issued and paid-up share capital	1,259,500,000	85,999,080
Issue of New Shares pursuant to the Invitation	95,500,000	34,380,000
Post-Invitation issued and paid-up share capital	1,355,000,000	120,379,080

Save as disclosed above, there were no changes in the issued and paid-up capital of our Company within the three years preceding the date of this Offer Document.

The shareholders' equity of our Company as at 31 December 2007, after adjustments to reflect the Restructuring Exercise and the issue of the New Shares pursuant to the Invitation are set out below. This should be read in conjunction with the financial statements:

	As at 31 December 2007 $'000	After the Restructuring Exercise $'000	After the Invitation $'000
Equity			
Share capital	1	86,000	120,379
Accumulated profits	6,422	6,422	6,422
	6,423	92,422	126,801

OWNERSHIP STRUCTURE

The Directors and Substantial Shareholders of our Company and their respective shareholdings immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Fan Kow Hin[(1), (4), (10)]	–	–	669,590,727	53.16	–	–	629,590,727	46.46
Dr Jong Hee Sen[(1), (4)]	–	–	646,811,324	51.35	–	–	606,811,324	44.78
Dr Wong Weng Hong[(2), (4), (10)]	26,581,273	2.11	19,428,872	1.54	26,581,273	1.96	19,428,872	1.43
Siew Teng Kean[(3)]	1,111,111	0.09	–	–	1,111,111	0.08	–	–
Png Paak Liang, Ivan	–	–	–	–	–	–	–	–
Arthur Raymond Ouellette	–	–	–	–	–	–	–	–
Kuek Chiew Hia	–	–	–	–	–	–	–	–
Substantial Shareholders (including the UH Minority Associates)								
UH[(4), (8)]	85,708,143	6.80	–	–	45,708,143	3.37	–	–
One Organisation Limited[(1), (4)]	561,103,181	44.55	85,708,143	6.80	561,103,181	41.41	45,708,143	3.37
Fan Kwee Lan[(10)]	6,126,084	0.49	16,653,319	1.32	6,126,084	0.45	16,653,319	1.23
Wellpool International Limited[(10)]	16,653,319	1.32	–	–	16,653,319	1.23	–	–
Wong Pang Kin[(10)]	19,428,872	1.54	26,581,273	2.11	19,428,872	1.43	26,581,273	1.96
Aathar Ah Kong Andrew[(1), (4), (10)]	–	–	652,492,964	51.80	–	–	612,492,964	45.20
Aathar Ah Tuk Henry[(10)]	5,681,640	0.45	–	–	5,681,640	0.42	–	–
Others								
Purestar Group Ltd[(5)]	49,959,957	3.97	–	–	49,959,957	3.69	–	–
Doctor Shareholders[(6)]	214,965,799	17.07	–	–	214,965,799	15.86	–	–
Passive Investors[(7)]	8,296,291	0.66	–	–	8,296,291	0.61	–	–
Convertible Bondholders[(8)]	109,378,865	8.68	–	–	109,378,865	8.07	–	–
PPCF[(9)]	7,557,000	0.60	–	–	7,557,000	0.56	–	–
Public								
Minority Shareholders of UH[(4), (11)]	130,281,799	10.34	–	–	130,281,799	9.61	–	–
DBS Bank or its nominees[(12)]	16,666,666	1.32	–	–	16,666,666	1.23	–	–
New public investors	–	–	–	–	135,500,000	10.00	–	–
Total	**1,259,500,000**	**100.00**[(13)]			**1,355,000,000**	**100.00**[(13)]		

Notes:

(1) Pursuant to the UH Capitalisation 1, 558,893,152 Shares were issued to One Organisation Limited. Pursuant to the CLNs, $596,708 CLNs were issued to One Organisation Limited by UH, which were converted to an aggregate of 2,210,029 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

Accordingly, One Organisation Limited has an interest in approximately 44.55% of the total pre-Invitation share capital of our Company. Fan Kow Hin, Dr Jong Hee Sen and Aathar Ah Kong Andrew have an interest in 58%, 20% and 22% of the total issued share capital of One Organisation Limited, respectively. Accordingly, Fan Kow Hin, Dr Jong Hee Sen and Aathar Ah Kong Andrew are each deemed to be interested in the shareholding in our Company held by One Organisation Limited.

(2) Pursuant to the UH Capitalisation 1, 22,204,425 Shares were issued to Dr Wong Weng Hong. Pursuant to the CLNs, $420,000 CLNs were issued to Dr Wong Weng Hong by UH, which were converted to 1,555,555 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document. In addition, Dr Wong Weng Hong was issued and allotted 2,821,293 Shares for the sale of his 38% shareholding in CLAAS to Unimedic.

(3) Pursuant to the CLNs, $300,000 CLNs were issued to Siew Teng Kean by UH, which were converted to 1,111,111 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

(4) Pursuant to the UH Capitalisation 1, 84,314,810 Shares were issued to UH, which also held 1,393,333 Shares in the capital of our Company. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document. Accordingly, UH has an interest in approximately 6.80% of the total pre-Invitation share capital of our Company. Part of the Shares held by UH form the Vendor Shares.

One Organisation Limited, Purestar Group Ltd, Dr Wong Weng Hong, the UH Minority Associates and the Minority Shareholders of UH have an interest in 72.26%, 6.46%, 2.87%, 5.86% and 12.55% of the total issued share capital of UH, respectively. The directors of UH are Fan Kow Hin, Dr Wong Weng Hong and Dr Jong Hee Sen. Accordingly, One Organisation Limited is deemed to be interested in the shareholding in our Company held by UH and Fan Kow Hin, Dr Jong Hee Sen and Aathar Ah Kong Andrew are each deemed to be interested in the shareholding in our Company held by UH.

(5) Pursuant to the UH Capitalisation 1, 49,959,957 Shares were issued to Purestar Group Ltd. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document. Purestar Group Ltd is an investment holding company incorporated in the BVI and is wholly-owned by Chan Fook Meng, who is a director of UniLegal LLC. Chan Fook Meng is our Company Secretary. UniLegal LLC is the Legal Advisers to the Company for the Restructuring Exercise.

(6) Pursuant to the sale and purchase agreements between the vendors of the Acquired Share Entities and Unimedic, the following table sets out the Shares issued to the Doctor Shareholders (excluding Dr Wong Weng Hong) as part of the consideration for the Acquired Share Entities. The consideration was determined on a willing-buyer, willing-seller basis and based on the Invitation Price for each new Share.

Doctor Shareholders	**Number of Shares issued**	**% of the post-Invitation share capital**
BLSY	11,958,055	0.88%
Tan Chong Tien	9,888,888	0.73%
Joseph Seow Kok Siam	9,583,333	0.71%
Liang Te Shan	9,388,888	0.69%
Francis Wong Yoke Hae	9,388,888	0.69%
Ngian Kite Seng	9,388,888	0.69%
Tho Kam San	9,388,888	0.69%
Ang Poon Liat	9,062,500	0.67%
Ang Ai Tin	9,062,500	0.67%
Chan Beng Kuen	7,888,888	0.58%
Wong Yue Shuen	7,888,888	0.58%
Ngiam Thye Eng	6,666,666	0.49%
Yip Chin Ling William	6,666,666	0.49%
Karruppiah Vellayappan	6,666,666	0.49%
Koh Poh Kian	6,666,666	0.49%
Chan Kit Yee	6,666,666	0.49%
Ong Eng Keow	6,666,666	0.49%
Yip Yeng Yoong	6,666,666	0.49%
Jasper Yang Chyan Han	6,463,862	0.48%
Aylwin Yang Chyan Yeow	5,706,333	0.42%
Yeo Thoont Kiat	5,706,333	0.42%
Soh Wah Ngee	5,498,862	0.41%
Lim Wei Liang	5,230,528	0.39%
BLSY3	5,024,535	0.37%
Ang Corey Damien	3,696,000	0.27%
Chareonsri Apiwat	3,623,063	0.27%
Boey Kok Hoe	3,346,055	0.25%
Patrick Goh Oon Leng	2,555,555	0.19%
Philip Koh Kheng Keah	2,038,783	0.15%
Keoy Soo Shin	2,013,888	0.15%

Doctor Shareholders	Number of Shares issued	% of the post-Invitation share capital
Chong Yan - Gerald Mark	1,984,888	0.15%
Michael Yee Jenn Jet	1,798,862	0.13%
Teo Yi Jin	1,577,644	0.12%
Gerard Tan Eng Choon	1,525,866	0.11%
Baskaran Surendran	1,488,666	0.11%
Jeffrey Lai Tien Yew	1,281,836	0.09%
Lim Wee How	1,271,552	0.09%
Yang Cindy	1,271,552	0.09%
Vincent Chia Hong Chye	1,119,124	0.08%
Liew Kou Chuen	847,696	0.06%
Soh Liang Joseph	254,296	0.02%
Tan Yi Ryh	84,754	0.01%
Total	**214,965,799**	**15.86%**

The above Doctor Shareholders are not related to our Directors or Substantial Shareholders.

(7) Pursuant to the CLNs, an aggregate of $2,240,000 CLNs were issued to the Passive Investors by UH, which were converted to 8,296,291 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2 as set out below. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

Passive Investors	Number of Shares issued pursuant to the UH Capitalisation 2	% of the post-Invitation share capital
Ocean Century Group Limited[(a)]	1,851,851	0.14%
Kee Teck Leong	1,851,851	0.14%
Cheung Tuck Wei	1,481,481	0.11%
Tan Yeok Leng	925,925	0.07%
Leong Fatt On	740,740	0.05%
David Yan Kin Pung[(b)]	666,666	0.05%
Tan Kheen Chow	444,444	0.03%
Lam Swee Sum	185,185	0.01%
Rachel Leong Mei Ying	148,148	0.01%
Total	**8,296,291**	**0.61%**

Notes:

(a) Ocean Century Group Limited is an investment holding company incorporated in the BVI and is wholly-owned by Hanif Moez Normanbhoy. Accordingly, Hanif Moez Normanbhoy, who is also one of the Minority Shareholders of UH, is deemed to be interested in the shareholding of our Company held by Ocean Century Group Limited.

(b) David Yan Kin Pung is the General Manager, Corporate Finance of our Company.

The Passive Investors are not related to our Directors or Substantial Shareholders.

(8) On 15 June 2007, UH entered an agreement to issue an aggregate of $15,000,000 Convertible Bonds to the Convertible Bondholders, which may be exchanged at the option of the Convertible Bondholders for an aggregate of 109,378,865 Shares in accordance with the terms of the Convertible Bonds. The Convertible Bondholders have exercised their rights of exchange. As such, UH has authorised and directed our Company to issue and allot an aggregate of 109,378,865 Shares (which is part of the Shares that UH is entitled to pursuant to the UH Capitalisation 2) to them pursuant to the UH Capitalisation 2 as set out below:

	Number of Shares issued pursuant to the UH Capitalisation 2	% of the post-Invitation share capital
Kim Eng Securities Pte Ltd[(a)]	51,043,471	3.77%
Lee Woo Sau Yin Gloria	18,229,811	1.35%
Erica Audrey Lai Tseng Han	14,583,849	1.08%
The Money Corporation Ltd[(b)]	7,291,924	0.54%
Tan Boon Piang	7,291,924	0.54%
Zhong-Hsin (Singapore) Pte Ltd[(c)]	3,645,962	0.27%
Khoo Siew Hwa	3,645,962	0.27%
Tong Weng Kin	3,645,962	0.27%
Total	**109,378,865**	**8.07%**

Notes:

(a) Kim Eng Securities Pte Ltd is a securities trading firm and is wholly-owned by Kim Eng Holdings Limited.

(b) The Money Corporation Ltd is an investment holding company incorporated in Hong Kong and is jointly owned by Lau Huang Nam and Tham Kam Cheong.

(c) Zhong-Hsin (Singapore) Pte Ltd is an investment holding company incorporated in Singapore which is wholly-owned by Calwealth Corporation Private Limited. Calwealth Corporation Private Limited is jointly owned by Lau Huang Nam and Lau Huan Yeong.

The Convertible Bondholders are not related to our Directors or Substantial Shareholders.

(9) Pursuant to the Management Agreement, UH authorised and directed our Company to issue and allot 7,557,000 Shares to PPCF at an issue price of $0.0073 per Share, credited as fully paid-up, pursuant to the UH Capitalisation 2. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

(10) Pursuant to the UH Capitalisation 1, an aggregate of 45,297,027 Shares were issued to certain minority shareholders of UH who are also associates of certain of our Directors ("UH Minority Associates"). Pursuant to the CLNs, an aggregate of $700,080 CLNs were issued to such UH Minority Associates (excluding Wong Pang Kin and Wellpool International Limited) by UH, which were converted to an aggregate of 2,592,888 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2 as set out below. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

UH Minority Associates	Number of Shares issued pursuant to the UH Capitalisation 1	Number of Shares issued pursuant to the UH Capitalisation 2	Total number of Shares	% of the post-Invitation share capital
Wong Pang Kin[(a)]	19,428,872	–	19,428,872	1.43%
Wellpool International Limited[(b)]	16,653,319	–	16,653,319	1.23%
Fan Kwee Lan[(b)]	4,607,418	1,518,666	6,126,084	0.45%
Aathar Ah Tuk Henry[(c)]	4,607,418	1,074,222	5,681,640	0.42%
Total	**45,297,027**	**2,592,888**	**47,889,915**	**3.53%**

Notes:

(a) Wong Pang Kin is the father of Dr Wong Weng Hong, the Managing Director, Medical Services of our Company. Accordingly, Wong Pang Kin and Dr Wong Weng Hong are each deemed to be interested in the shareholding of our Company held by each of them. Although Wong Pang Kin does not have an interest in 5% or more in the capital of our Company, by virtue of his relationship with our Managing Director, Medical Services, Dr Wong Weng Hong, our Company has decided to deem Wong Pang Kin as our Substantial Shareholder.

(b) Wellpool International Limited is an investment holding company incorporated in the BVI and is wholly-owned by Dr Calvin Koh Jian Yi who is the son of Fan Kwee Lan. Accordingly, Fan Kwee Lan is deemed interested in the shareholding of our Company held by Wellpool International Limited and Dr Calvin Koh Jian Yi is deemed interested in the shareholding of our Company held by Wellpool International Limited and Fan Kwee Lan. Although Wellpool International Limited does not have an interest in 5% or more in the capital of our Company, by virtue of its relationship with our Executive Chairman, Fan Kow Hin, our Company has decided to deem Wellpool International Limited as our Substantial Shareholder.

Fan Kwee Lan is the sister of Fan Kow Hin, the Executive Chairman of our Company. Accordingly, Fan Kow Hin is deemed to be interested in the shareholding of our Company held by each of Fan Kwee Lan and Wellpool International Limited. Each of Fan Kow Hin and Fan Kwee Lan has confirmed that Fan Kwee Lan is not entitled to exercise or control the exercise of the rights attached to the Shares held by Fan Kow Hin and that Fan Kow Hin is not accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Fan Kwee Lan. Accordingly, Fan Kwee Lan is only deemed to be interested in the shareholding of our Company held by Wellpool International Limited.

(c) Aathar Ah Tuk Henry is the brother of Aathar Ah Kong Andrew. Accordingly Aathar Ah Kong Andrew is deemed to be interested in the shareholding of our Company held by Aathar Ah Tuk Henry. Each of Aathar Ah Kong Andrew and Aathar Ah Tuk Henry has confirmed that Aathar Ah Tuk Henry is not entitled to exercise or control the exercise of the rights attached to the Shares held by Aathar Ah Kong Andrew and that Aathar Ah Kong Andrew is not accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of Aathar Ah Tuk Henry. Accordingly, Aathar Ah Tuk Henry is not deemed to be interested in the shareholding of our Company held by Aathar Ah Kong Andrew through One Organisation Limited and UH.

(11) Pursuant to the UH Capitalisation 1, an aggregate of 97,099,952 Shares were issued to the Minority Shareholders of UH. Pursuant to the CLNs, an aggregate of $8,959,100 CLNs were issued to such Minority Shareholders of UH by UH, which were converted to 33,181,847 Shares (in accordance with the terms of the CLNs) pursuant to the UH Capitalisation 2 as set out below. For details, please refer to the section entitled “Restructuring Exercise” of this Offer Document.

Minority Shareholders of UH	**Number of Shares issued pursuant to the UH Capitalisation 1**	**Number of Shares issued pursuant to the UH Capitalisation 2**	**Total number of Shares**	**% of the post-Invitation share capital**
Hanif Moez Nomanbhoy[a]	18,485,184	7,074,222	25,559,406	1.89%
Kaston Holdings Pte Ltd[b]	20,816,649	3,166,666	23,983,315	1.77%
Lim Joo Boon	18,485,184	4,296,444	22,781,628	1.68%
Billy Hardie[c]	8,141,808	1,490,370	9,632,178	0.71%
Fides Capital Partners Limited[d]	6,938,883	2,907,407	9,846,290	0.73%
Joseph Wong Chee Fong	4,626,292	5,555,555	10,181,847	0.75%
John Tan Kheen Seng	4,621,851	4,777,814	9,399,665	0.69%
Lee Lih Charn[c]	5,551,106	370,370	5,921,476	0.44%
Leong Siew Meng	4,621,851	1,166,703	5,788,554	0.43%
Eric Wong Ong Ming	3,700,923	1,822,222	5,523,145	0.41%
Poh Thiam Siew	1,110,221	554,074	1,664,295	0.12%
Total	**97,099,952**	**33,181,847**	**130,281,799**	**9.61%**

Notes:

(a) Ocean Century Group Limited has an interest in 1,851,851 Shares representing 0.14% of the post-Invitation share capital of our Company. Ocean Century Group Limited is wholly-owned by Hanif Moez Normanbhoy. Accordingly, Hanif Moez Normanbhoy is deemed to be interested in the shareholding of our Company held by Ocean Century Group Limited.

(b) Kaston Holdings Pte Ltd is an investment holding company incorporated in the Republic of Singapore and wholly-owned by John George Colin Gee.

(c) Lee Lih Charn is the wife of Billy Hardie. Accordingly, Lee Lih Charn and Billy Hardie are each deemed to be interested in the shareholding of our Company held by each of them.

(d) Fides Capital Partners Limited is an investment holding company incorporated in the BVI and wholly-owned by Lim Yu Neng Paul.

Save as disclosed above, the Minority Shareholders of UH are not related to our Directors or Substantial Shareholders.

(12) Pursuant to a share transfer agreement between DBS Bank, UH, Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong and Aathar Ah Kong Andrew, UH had in fulfilment of its obligations to DBS Bank, authorised and directed our Company to issue and allot an aggregate of 16,666,666 Shares to DBS Bank or its nominees, credited as fully paid-up, pursuant to the UH Capitalisation 2. For details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

(13) May not add up due to rounding.

Pursuant to an agreement dated 16 July 2007 between UH and Republic Investment, UH issued $7,000,000 CLNs to Republic Investment which may either be converted to Shares to be issued at 78.00% of the Invitation Price or be redeemed at cost plus interest at a rate of 6% per annum (from the date of issue of the CLNs until the date of redemption) on or after 30 June 2008 at the option of Republic Investment. On 28 April 2008, Republic Investment has informed UH that it shall not be converting the $7,000,000 CLNs into Shares. The $7,000,000 CLNs will be redeemed by UH in accordance with the terms of the agreement.

Save as disclosed above, there are no other relationships between the Directors and Substantial Shareholders. Save as disclosed above, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares which are the subject of the Invitation. Save as disclosed above and in the section entitled "Restructuring Exercise" of this Offer Document, our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

Save as disclosed above and under the section entitled "Restructuring Exercise" of this Offer Document, there were no significant changes in the percentages of ownership of our Directors and Substantial Shareholders in our Company from its incorporation until the Latest Practicable Date.

Vendor

The Vendor and the number of Vendor Shares which it will offer pursuant to the Invitation are set out below:

	Shares held immediately before the Invitation		Vendor Shares offered pursuant to the Invitation			Shares held after the Invitation	
Name	**Number of Shares**	**% of pre-Invitation share capital**	**Number of Shares**	**% of pre-Invitation share capital**	**% of post-Invitation share capital**	**Number of Shares**	**% of post-Invitation share capital**
UH[(1)]	85,708,143	6.80%	40,000,000	3.18%	2.95%	45,708,143	3.37%

Note:

(1) Please refer to Notes (4) and (8) under the section entitled "Shareholders – Ownership Structure" of this Offer Document for more information on UH.

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Substantial Shareholders

Each of UH, One Organisation Limited and Dr Wong Weng Hong has undertaken not to sell, transfer or otherwise dispose of any part of its interests in our Company for a period of six months from the date of our Company's admission to the Catalist ("Initial Period") and at least 50% of each of their original shareholdings for a period of six months following the Initial Period.

Each of the shareholders of One Organisation Limited, namely, Fan Kow Hin, Dr Jong Hee Sen and Aathar Ah Kong Andrew has undertaken not to sell, transfer or otherwise dispose of any part of his interests in One Organisation Limited for a period of 12 months from the date of our Company's admission to the Catalist.

Further, each of Wong Pang Kin (father of Dr Wong Weng Hong), Fan Kwee Lan (sister of Fan Kow Hin), Aathar Ah Tuk Henry (brother of Aathar Ah Kong Andrew) and Wellpool International Limited (wholly-owned by Dr Calvin Koh Jian Yi, who is the son of Fan Kwee Lan) has undertaken not to sell, transfer or otherwise dispose of any part of its interests in our Company for the Initial Period and at least 50% of each of their original shareholdings for a period of six months following the Initial Period.

Dr Calvin Koh Jian Yi has undertaken not to sell, transfer or otherwise dispose of any part of his interests in Wellpool International Limited for a period of 12 months from the date of our Company's admission to the Catalist.

Doctor Shareholders

Each of the following Doctor Shareholders has undertaken not to sell, transfer or dispose of any part of his respective interests in our Company for the Initial Period and at least 50% of each of their original shareholdings for a period of six months following the Initial Period:

Doctor Shareholders	Number of Shares	% of the post-Invitation share capital
BLSY	11,958,055	0.88%
Tan Chong Tien	9,888,888	0.73%
Liang Te Shan	9,388,888	0.69%
Francis Wong Yoke Hae	9,388,888	0.69%
Ngian Kite Seng	9,388,888	0.69%
Tho Kam San	9,388,888	0.69%
Ang Poon Liat	9,062,500	0.67%
Ang Ai Tin	9,062,500	0.67%
Chan Beng Kuen	7,888,888	0.58%
Wong Yue Shuen	7,888,888	0.58%
Ngiam Thye Eng	6,666,666	0.49%
Yip Chin Ling William	6,666,666	0.49%
Karruppiah Vellayappan	6,666,666	0.49%
Koh Poh Kian	6,666,666	0.49%
Chan Kit Yee	6,666,666	0.49%
Ong Eng Keow	6,666,666	0.49%
Yip Yeng Yoong	6,666,666	0.49%
Jasper Yang Chyan Han	6,463,862	0.48%
Aylwin Yang Chyan Yeow	5,706,333	0.42%
Yeo Thoont Kiat	5,706,333	0.42%
Soh Wah Ngee	5,498,862	0.41%
Lim Wei Liang	5,230,528	0.39%
BLSY3	5,024,535	0.37%
Ang Corey Damien	3,696,000	0.27%
Chareonsri Apiwat	3,623,063	0.27%
Boey Kok Hoe	3,346,055	0.25%
Patrick Goh Oon Leng	2,555,555	0.19%
Keoy Soo Shin	2,013,888	0.15%
Chong Yan - Gerald Mark	1,984,888	0.15%
Michael Yee Jenn Jet	1,798,862	0.13%
Teo Yi Jin	1,577,644	0.12%
Baskaran Surendran	1,488,666	0.11%
Jeffrey Lai Tien Yew	1,281,836	0.09%

Others

Each of the Convertible Bondholders, the Passive Investors, Siew Teng Kean and the Minority Shareholders of UH have undertaken not to sell, transfer or otherwise dispose of any portion of their interests in our Company being the profit portion of their investments as at the point of our Company's admission to the Catalist for a period of 12 months from the date of our Company's admission to the Catalist:

	Number of moratorised Shares	% of the post-Invitation share capital
Kim Eng Securities Pte Ltd	31,599,027	2.33%
Lee Woo Sau Yin Gloria	11,285,367	0.83%
Erica Audrey Lai Tseng Han	9,028,293	0.67%
The Money Corporation Ltd	4,514,146	0.33%
Tan Boon Piang	4,514,146	0.33%
Zhong-Hsin (Singapore) Pte Ltd	2,257,073	0.17%
Khoo Siew Hwa	2,257,073	0.17%
Tong Weng Kin	2,257,073	0.17%
Ocean Century Group Limited	462,963	0.03%
Kee Teck Leong	462,963	0.03%
Cheung Tuck Wei	370,370	0.03%
Tan Yeok Leng	231,481	0.02%
Leong Fatt On	185,185	0.01%
David Yan Kin Pung	166,666	0.01%
Tan Kheen Chow	111,111	0.01%
Lam Swee Sum	46,297	0.00%
Rachel Leong Mei Ying	37,037	0.00%
Siew Teng Kean	277,778	0.02%
Hanif Moez Nomanbhoy	1,768,555	0.13%
Joseph Wong Chee Fong	1,388,888	0.10%
John Tan Kheen Seng	1,194,453	0.09%
Lim Joo Boon	1,074,111	0.08%
Kaston Holdings Pte Ltd	791,666	0.06%
Fides Capital Partners Limited	726,851	0.05%
Eric Wong Ong Ming	455,555	0.03%
Billy Hardie	372,592	0.03%
Leong Siew Meng	291,675	0.02%
Poh Thiam Siew	138,518	0.01%
Lee Lih Charn	92,592	0.01%

The number of Shares being the profit portion of their investments was calculated based on the difference between the Invitation Price and the respective issue prices at which Shares were issued to them pursuant to their conversion of the CLNs or Convertible Bonds (as the case maybe) held by them respectively. Please refer to the section entitled "Shareholders – Ownership Structure" of this Offer Document for further details as to the number of Shares issued pursuant to the conversion of CLNs or Convertible Bonds.

Purestar Group Ltd has undertaken not to sell, transfer or otherwise dispose of any part of its interests in our Company for a period of three months from the date of our Company's admission to the Catalist.

PPCF has undertaken not to sell, transfer or otherwise dispose of any part of its interests in our Company for the Initial Period and at least 50% of each of its original shareholdings for a period of six months following the Initial Period.

Dilution is the amount by which the Invitation Price paid by the subscribers and/or purchasers of our Shares in this Invitation exceeds our NAV per Share after the Invitation. Our NAV per Share as at 31 December 2007 before adjusting for the estimated net proceeds due to our Company from the Invitation and based on the pre-Invitation issued and paid-up share capital of 1,259,500,000 Shares was 7.34 cents per Share.

Pursuant to the Invitation in respect of 95,500,000 New Shares at the Invitation Price, our NAV per Share as at 31 December 2007 after adjusting for the estimated net proceeds due to our Company from the Invitation and based on the post-Invitation issued and paid-up share capital of 1,355,000,000 Shares would have been 9.21 cents. This represents an immediate increase in NAV per Share of 1.87 cents to our existing Shareholders and an immediate dilution in NAV per Share of 26.79 cents or approximately 74.4% to our new public investors.

The following table illustrates the dilution per Share as at 31 December 2007:

	Cents
Invitation Price per Share	36.00
NAV per Share based on the pre-Invitation share capital of 1,259,500,000 Shares	7.34
Increase in NAV per Share attributable to existing Shareholders	1.87
NAV per Share after the Invitation	9.21
Dilution in NAV per Share to new public investors	26.79

The following table summarises the total number of Shares issued by us to our existing Shareholders as at the date of this Offer Document, the total consideration paid by them and the average effective cash cost per Share to our existing Shareholders for Shares acquired by them from the date of incorporation, and to the public Shareholders who subscribe for and/or purchase the Invitation Shares pursuant to the Invitation:

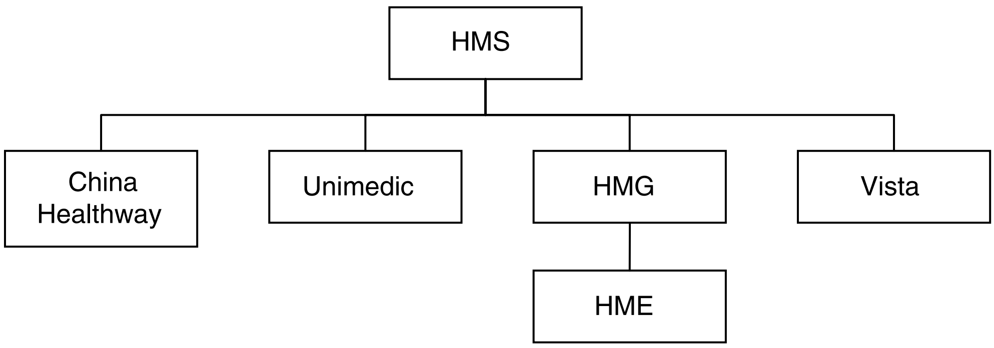
	Number of Shares	Total consideration ($)	Average effective cash cost per Share (cents)
Existing Shareholders			
UH	1,393,333	1,394.33	0.10
UH Capitalisation 1	857,769,323	6,261,716.06	0.73
UH Capitalisation 2	182,550,252	1,332,616.84	0.73
Doctor Shareholders (including the 2,821,293 Shares issued to Dr Wong Weng Hong for the sale of his 38% shareholding in CLAAS to Unimedic)	217,787,092	78,403,353.12	36.00
New public investors	135,500,000	48,780,000.00	36.00

Our Group was formed in February 2006 when Dr Wong Weng Hong together with Fan Kow Hin, Dr Jong Hee Sen, Aathar Ah Kong Andrew and a group of investors, through their investment holding company, UH, acquired HMG, HME and BUPA Healthcare Singapore Pte Ltd (subsequently renamed Vista) from BUPA Healthcare Asia (the "Management Buy-out"). For more details on the history and development of our Group, please refer to the section entitled "General Information on our Group – History" of this Offer Document.

Prior to the Management Buy-out in 2006, an amount of $6.62 million was due from HMG, HME and Vista to BUPA Healthcare Asia. Following the completion of the Management Buy-out, UH took over the outstanding amount of $6.62 million due from HMG, HME and Vista to BUPA Healthcare Asia. A portion of this outstanding amount was subsequently paid by HMG, HME and Vista, thereby reducing the outstanding amount of $6.62 million to $4.17 million.

On 16 May 2007, our Company was incorporated as the investment holding company of our Group and UH had on 21 May 2007 disposed of its entire interest in Unimedic, China Healthway, Vista, HMG and HME at cost to our Company in consideration for $4.94 million. Consequently, the amount of $4.17 million due from HMG, HME and Vista to UH was transferred to our Company at cost.

Immediately prior to the Restructuring Exercise, the structure of our Group was as follows:



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We undertook the Restructuring Exercise pursuant to which the following steps were taken:

Acquisitions by Unimedic, HMG and HME

(a) Unimedic, HMG and HME entered into various sale and purchase agreements to acquire the following companies/businesses ("Acquired Entities") as set out below:

Primary Healthcare Division

Date of agreement	Name of company / business	% acquired	Consideration
Companies/businesses acquired by Unimedic			
30 April 2007	Aaron Seow[(1)] Aaron CTP[(1)] Aaron Dentalcare[(1)]	100%	Approximately $46.91 million ($19.15 million in cash and the remaining $27.76 million to be paid by the issuance of 77.13 million Shares)
5 April 2007	Picton[(1)]	100%	
4 May 2007	SC 21[(1)] SC 24hrs[(1)] SC AC[(1)] SC Healthcare[(1)] SC Medical[(1)] SC North[(1)]	100%	
18 May 2007	Peace Family Clinics[(2)]	100%	
29 May 2007	Popular (CCK)[(1)] Popular (Woodlands)[(1)] Universal Dentalcare[(1)] Universal (Braddell)[(1)] Universal (Woodlands)[(1)]	100%	
Businesses acquired by HMG and HME			
5 May 2007	Healthway Tampines Clinic[(2), (3)]	45%	
8 May 2007	Healthway Sunshine Family Clinic[(2), (4)]	35%	
24 May 2007	Healthway Woodlands Family Clinic[(2), (3)]	45%	

Specialist & Wellness Healthcare Division

Date of agreement	Name of company	% acquired	Consideration
Companies acquired by Unimedic			
11 April 2007	CLAAS[(1)]	99.999%	Approximately $25.41 million ($15.25 million in cash and the remaining $10.16 million to be paid by the issuance of 28.22 million Shares)
20 May 2007	Thomson Paediatric[(1)]	100%	
31 May 2007	IOC / IOCH[(1), (5)]	100%	Approximately $107.90 million ($67.42 million in cash and the remaining $40.48 million to be paid by the issuance of 112.44 million Shares)
31 May 2007	SBCC Clinic / SBCC S&T[(1), (5)]	100%	

Notes:

(1) Unimedic acquired from the vendor of the company/business, the sale shares and together with all rights attaching thereto, including all dividends and distributions declared, made or paid by the company/business.

(2) Unimedic acquired all rights, title and interests from the vendor of the company/business in the business as a going concern and all of the assets and rights owned by the seller of the company/business in the conduct of the business, including the goodwill, fixed assets, benefits of the contracts and intellectual property rights.

(3) These businesses were partnerships that were previously partially owned by HMG and HMG acquired the remaining interest in May 2007.

(4) This business was a partnership that was previously partially owned by HME and HME acquired the remaining interest in May 2007.

(5) As at the Latest Practicable Date, the acquisitions of these companies by Unimedic have not been completed. Pursuant to the sale and purchase agreements between the vendors of IOC, SBCC Clinic and SBCC S&T, the completion of the acquisition of these companies will take place after the Exposure Period but prior to the Registration, whereupon HMS shall hold 100% effective interest in these companies. The completion of the acquisition of these companies took place on 18 June 2008. IOCH is wholly-owned by IOC.

The total consideration for the acquisitions by Unimedic, HMG and HME of the Acquired Entities was approximately $180.22 million ("Acquisition Consideration"). The consideration for the acquisition of each of the Acquired Entities was determined based on a willing-buyer, willing-seller basis taking into consideration the profitability of each Acquired Entity. The Acquisition Consideration was to be satisfied by $101.82 million in cash and the remaining $78.40 million to be paid by the issuance of an aggregate of 217,787,092 Shares to the Doctor Shareholders (including Dr Wong Weng Hong) at the Invitation Price, credited as fully paid-up.

Under each respective sale and purchase agreement, save for CLAAS and the businesses acquired by HME, the consideration for the acquisitions of each of the Acquired Entities shall be subject to such reduction as may be required based on the results of the audited financial statements of the respective entity for each of FY2007, FY2008 and FY2009.

Save for Dr Wong Weng Hong who had an interest of 38% in CLAAS, the shareholders of the above entities are other physicians and third parties who are not related to any of our Directors or Substantial Shareholders.

The following vendors of SC 21, SC 24hrs, SC AC, SC Healthcare, SC North, SC Medical, Peace Family (AMK), Peace Family (Sembawang), Picton, Universal Dentalcare, Universal (Braddell), Universal (Woodlands), Popular (CCK), Popular (Woodlands), Aaron Dentalcare, Aaron Seow, CLAAS and Thomson Paediatric, who are doctors have been retained by our Group under employment contracts for three years from the respective acquisition completion dates:

Name of company / business	Vendors who are doctors
SC Medical	Soh Wah Ngee Boey Kok Hoe
SC Healthcare	Jasper Yang Chyan Han Lim Wei Liang
SC 24hrs	Aylwin Yang Chyan Yeow Yeo Thoont Kiat
SC North	Baskaran Surendran Chong Yan - Gerald Mark
SC 21	Teo Yi Jin Jeffrey Lai Tien Yew

Name of company / business	Vendors who are doctors
SC AC	Chareonsri Apiwat Ang Corey Damien
Peace Family (AMK)	Hing Siong Chen Krishnaswamy Ram Nath
Peace Family (Sembawang)	Lam Wai Khin
Picton	Lee Wee Belinda Bridget Wee Geok Chin
Universal Dentalcare	Joseph Seow Kok Siam
Universal (Braddell)	Joseph Seow Kok Siam
Universal (Woodlands)	Joseph Seow Kok Siam
Popular (Woodlands)	Joseph Seow Kok Siam
Popular (CCK)	Joseph Seow Kok Siam
Aaron Dentalcare	Aaron Seow Onn Choong June Tan Siok Koon
Aaron Seow	Aaron Seow Onn Choong June Tan Siok Koon
CLAAS	Gerard Tan Eng Choon Joseph Soh Liang Yang Cindy
Thomson Paediatric	Ang Poon Liat Ang Ai Tin Keoy Soo Shin

Upon completion of the Final Acquisition, we will enter into employment contracts with the following Doctor Shareholders, whose employment contracts will have a minimum term until 31 December 2009:

Name of company	Doctor Shareholders
IOC	Ngian Kite Seng Francis Wong Yoke Hae Liang Te Shan Tho Kam San Tan Chong Tien Chan Beng Kuen Wong Yue Shuen Patrick Goh Oon Leng
SBCC Clinic	Ngiam Thye Eng Koh Poh Kian Yip Chin Ling William Karruppiah Vellayappan Chan Kit Yee Ong Eng Keow Yip Yeng Yoong

We have retained the lead directors of Thomson Paediatric, Universal Dentalcare, Universal (Braddell), Universal (Woodlands), Popular (CCK) and Popular (Woodlands) on the respective board of directors of these entities. These directors are on three-year employment contracts and will continue to manage the respective medical practice groups. The list of Doctor Shareholders retained as directors of the Acquired Entities are as set out below:

Name of company	**Doctor Shareholders**
Universal Dentalcare	Joseph Seow Kok Siam
Universal (Braddell)	Joseph Seow Kok Siam
Universal (Woodlands)	Joseph Seow Kok Siam
Popular (Woodlands)	Joseph Seow Kok Siam
Popular (CCK)	Joseph Seow Kok Siam
Thomson Paediatric	Ang Poon Liat Ang Ai Tin

We will also retain certain Doctor Shareholders as directors at IOC and SBCC Clinic upon the completion of the acquisition of IOC and SBCC Clinic:

Name of company	**Doctor Shareholders**
IOC	Ngian Kite Seng and one existing director of IOC will be retained upon the completion of the acquisition of IOC and the choice of the director will made by the vendors of IOC.
SBCC Clinic	Ngiam Thye Eng and two existing directors of SBCC Clinic will be retained upon the completion of the acquisition of SBCC Clinic and the choice of these directors will made by the vendors of SBCC Clinic.

(b) On 11 June 2007, 2 July 2007 and 25 July 2007, Unimedic incorporated Peace Family (AMK), Peace Family (Sembawang) and Peace Family (Anchorvale) as the holding companies of the businesses of Peace Family Clinic and Surgery at Block 452 Ang Mo Kio Ave 10, Peace Family Clinic and Surgery at Block 406 Sembawang Drive, and Peace Family Clinic and Surgery at Block 308, Anchorvale Road, respectively.

(c) On 31 December 2007, pursuant to a deed of undertaking and indemnity between our Company and Unimedic, HMG and HME ("Deed"), in consideration of Unimedic, HMG and HME paying the aggregate sum of $135.22 million to our Company on demand in writing, our Company undertook to pay the liabilities of Unimedic, HMG and HME in respect of the Acquisition Consideration, save for the sum of $45 million, comprising approximately $56.82 million in cash (being the aggregate cash amount of $101.82 million less the sum of $45 million) and $78.40 million to be satisfied by way of Shares, and to indemnify Unimedic, HMG and HME in respect of the same.

(d) As at 31 December 2007, an aggregate cash amount of $21.76 million has been paid to the vendors for the acquisition of the Acquired Entities (including $2.0 million paid to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T) by UH on behalf of our Company.

As at 31 December 2007, an aggregate cash amount of $14.64 million and $37.92 million to be satisfied by way of Shares would be due from our Company to the vendors for the acquisition of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) in accordance with the relevant provisions of the respective sale and purchase agreements.

On 31 December 2007, pursuant to a deed of undertaking and indemnity between our Company and UH ("UH Deed"), in consideration of our Company paying a sum of $52.56 million to UH on a date that is to be agreed between our Company and UH, UH undertook to pay the remaining amounts to be paid by cash and Shares to the various vendors (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) under, or pursuant to the sale and purchase agreements (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) entered into by Unimedic, HMG and HME, comprising approximately $14.64 million in cash and $37.92 million to be satisfied by way of Shares, to the various vendors (excluding IOCH, IOC, SBCC Clinic and SBCC S&T), and to indemnify our Company in respect of the same. On 26 May 2008, our Company and UH entered into a variation deed in respect of the UH Deed, pursuant to which the obligations and liabilities of UH shall automatically terminate and be of no effect upon the Invitation.

In the event that the amounts due to the vendors of the Acquired Entities remain unpaid, the said vendors may have a claim against Unimedic for the amounts due. However, Unimedic's right, title and interest in respect of these Acquired Entities will not be affected except in the cases of Thomson Paediatric, IOCH, IOC, SBCC Clinic and SBCC S&T. The vendors of Thomson Paediatric, IOCH, IOC, SBCC Clinic and SBCC S&T have an option to acquire back their shares in the event of a default in payment obligations under the respective sale and purchase agreements.

(e) As at the Latest Practicable Date, an aggregate cash amount of $24.66 million has been paid to the vendors for the acquisition of the Acquired Entities (including $2.90 million paid to the vendors of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) in April 2008 and $2.00 million paid to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T).

As at the Latest Practicable Date, an aggregate cash amount of $20.42 million (being the outstanding aggregate cash amount of $65.42 million less $45 million) and $40.48 million to be satisfied by way of Shares would be due from our Company to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T in accordance with the relevant provisions of the respective sale and purchase agreements.

As at the Latest Practicable Date, an aggregate cash amount of $11.74 million and $37.92 million to be satisfied by way of Shares would be due from UH to the vendors for the acquisition of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) in accordance with the relevant provisions of the respective sale and purchase agreements.

Please refer to the section entitled "Capitalisation and Indebtedness – Contractual Commitments" of this Offer Document for details on the sources of funds to be used to repay the abovestated amounts owing by our Company.

Funding by UH

(f) In connection with the Management Buy-out and the acquisition by our Company of Unimedic, China Healthway, Vista, HMG and HME from UH, an aggregate amount of $9.11 million was due from our Company to UH.

In connection with the acquisition of the Acquired Entities, UH had extended $21.76 million to our Company and had undertaken to pay the balance amounts of the Acquisition Consideration by way of cash and Shares of an aggregate of $52.56 million to the various vendors as set out in Paragraph (d) above.

Pursuant to the above and other transactions as described in the section entitled "Interested Person Transactions – Past Interested Person Transactions – Amount due to UH from HMS", an aggregate of $81.51 million was due from our Company to UH ("HMS Debt") as at the Latest Practicable Date.

(g) For the purpose of funding the Management Buy-out and the acquisition of the Acquired Entities, UH had issued an aggregate of $20,215,888 CLNs to its existing shareholders and new investors ("CLN Holders") and an aggregate of $15,000,000 Convertible Bonds to the Convertible Bondholders pursuant to the agreements entered into by UH between April 2007 and November 2007.

Pursuant to a share transfer agreement between DBS Bank, UH, Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong and Aathar Ah Kong Andrew ("Share Transfer Agreement"), in consideration for loan facilities granted by DBS Bank to UH for the purpose of funding the Management Buy-out as well as to Unimedic for the purpose of funding the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T, being a term loan facility for up to $45 million, UH, Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong and Aathar Ah Kong Andrew agreed to procure the allotment and issue of such number of Shares to DBS Bank (failing which, UH, Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong and Aathar Ah Kong Andrew shall transfer such number of Shares to DBS Bank) on the latest date practicable prior to the Invitation, as determined by the formula below:

Number of Shares = $6 million / Invitation Price

UH Capitalisation 1

(h) On 18 April 2008, pursuant to separate assignment agreements, UH assigned approximately $5.65 million of the HMS Debt to the shareholders of UH ("Assigned HMS Debt"). The relevant notices of assignment were given to the Company, resulting in this portion of the HMS Debt being due from our Company to the shareholders of UH.

(i) After the Exposure Period but prior to the Registration, on 18 June 2008, the amount of $615,498 from the HMS Debt was capitalised by the issuance and allotment of 84,314,810 Shares to UH and on 18 June 2008, the $5.65 million Assigned HMS Debt was capitalised by the issuance and allotment of an aggregate of 773,454,513 Shares to the shareholders of UH, at an issue price of $0.0073 per Share, credited as fully paid-up (collectively, "UH Capitalisation 1"). The Shares were issued and allotted to the shareholders of UH as follows:

Shareholders of UH	Number of shares held in UH	Number of Shares
One Organisation Limited	1,006,814	558,893,152
Purestar Group	90,000	49,959,957
Wong Weng Hong	40,000	22,204,425
Wong Pang Kin	35,000	19,428,872
Wellpool International Limited	30,000	16,653,319
Aathar Ah Tuk Henry	8,300	4,607,418
Fan Kwee Lan	8,300	4,607,418
Minority Shareholders of UH		
Kaston Holdings Pte Ltd	37,500	20,816,649
Lim Joo Boon	33,300	18,485,184
Hanif Moez Nomanbhoy	33,300	18,485,184
Billy Hardie	14,667	8,141,808
Fides Capital Partners Limited	12,500	6,938,883
Lee Lih Charn	10,000	5,551,106
Joseph Wong Chee Fong	8,334	4,626,292
John Tan Kheen Seng	8,326	4,621,851
Leong Siew Meng	8,326	4,621,851
Eric Wong Ong Ming	6,667	3,700,923
Poh Thiam Siew	2,000	1,110,221
Total Minority Shareholders of UH	174,920	97,099,952
Total	**1,393,334**	**773,454,513**

UH Capitalisation 2

(j) After the Exposure Period but prior to the Registration, on 18 June 2008, an amount of $1.33 million of the HMS Debt was capitalised by the issuance and allotment of an aggregate of 182,550,252 Shares at an issue price of $0.0073 per Share to UH. As at the date of this Offer Document, the Convertible Bondholders have converted their Convertible Bonds to Shares. UH, in fulfilment of its obligations to the CLN Holders (except Republic Investment), the Convertible Bondholders, PPCF and DBS Bank, authorised and directed our Company to allot and issue such Shares directly ("UH Capitalisation 2") as follows:

(i) an aggregate of 48,947,721 Shares, credited as fully paid-up, to the CLN Holders (except Republic Investment) in fulfilment of the terms of the CLNs as follows:

CLN Holders	$	Shares issued
One Organisation Limited	596,708	2,210,029
Dr Wong Weng Hong	420,000	1,555,555
Siew Teng Kean	300,000	1,111,111
Passive Investors	2,240,000	8,296,291
UH Minority Associates (excluding Wong Pang Kin and Wellpool International Limited)	700,080	2,592,888
Minority Shareholders of UH	8,959,100	33,181,847
Total	**13,215,888**	**48,947,721**

Please refer to the section entitled "Shareholders" of this Offer Document for further details;

(ii) an aggregate of 109,378,865 Shares, credited as fully paid-up, to the Convertible Bondholders, who held an aggregate of $15 million Convertible Bonds issued by UH. Please refer to the section entitled "Shareholders" of this Offer Document for further details;

(iii) 7,557,000 Shares representing 0.6% of the pre-Invitation share capital of our Company, credited as fully paid-up, to PPCF, being part of their fees as the Manager and Sponsor; and

(iv) an aggregate of 16,666,666 Shares, credited as fully paid-up, to DBS Bank or its nominees pursuant to the Share Transfer Agreement.

Issue of Shares to Doctor Shareholders

(k) After the Exposure Period but prior to the Registration, on 18 June 2008, in fulfilment of the Deed and the UH Deed referred to in Paragraphs (c) and (d) above, the non-cash portion of the Acquisition Consideration (amounting to $78.40 million) for an aggregate of 217,787,092 Shares were allotted and issued to the Doctor Shareholders (including Dr Wong Weng Hong), at the Invitation Price per Share, credited as fully paid-up. Please refer to the section entitled "Shareholders" of this Offer Document for further details.

The following table sets forth the changes in the percentage of ownership of Shares in our Company pursuant to the Restructuring Exercise:

	As at 31 December 2007		UH Capitalisation 1 on 18 June 2008		UH Capitalisation 2 on 18 June 2008		Issue of Shares to Doctor Shareholders on 18 June 2008	
	Number of Shares	%	Resultant Number of Shares	%	Resultant Number of Shares	%	Resultant Number of Shares	%
Directors								
Dr Wong Weng Hong	–	–	22,204,425	2.58	23,759,980	2.28	26,581,273	2.11
Siew Teng Kean	–	–	–	–	1,111,111	0.11	1,111,111	0.09
Substantial Shareholders (including the UH Minority Associates)								
UH	1,393,333	100.00	85,708,143	9.98	85,708,143	8.23	85,708,143	6.80
One Organisation Limited	–	–	558,893,152	65.05	561,103,181	53.86	561,103,181	44.55
Fan Kwee Lan	–	–	4,607,418	0.54	6,126,084	0.59	6,126,084	0.49
Wellpool International Limited	–	–	16,653,319	1.94	16,653,319	1.60	16,653,319	1.32
Wong Pang Kin	–	–	19,428,872	2.26	19,428,872	1.87	19,428,872	1.54
Aathar Ah Tuk Henry	–	–	4,607,418	0.54	5,681,640	0.55	5,681,640	0.45
Others								
Purestar Group Ltd	–	–	49,959,957	5.81	49,959,957	4.80	49,959,957	3.97
Doctor Shareholders	–	–	–	–	–	–	214,965,799	17.07
Passive Investors	–	–	–	–	8,296,291	0.80	8,296,291	0.66
Convertible Bondholders	–	–	–	–	109,378,865	10.50	109,378,865	8.68
PPCF	–	–	–	–	7,557,000	0.73	7,557,000	0.60
Public								
Minority Shareholders of UH	–	–	97,099,952	11.30	130,281,799	12.51	130,281,799	10.34
DBS Bank or its nominees	–	–	–	–	16,666,666	1.60	16,666,666	1.32
Total	1,393,333	100.00	859,162,656	100.00	1,041,712,908	100.00[(1)]	1,259,500,000	100.00[(1)]

Note:

(1) May not add up due to rounding

Summary

The summary of the amounts due to and payments made to the vendors of the Acquired Entities is set out below:

($'million)	**Cash**	**Value of Shares to be issued**	**Total**
FY2007			
Acquisition Consideration to be satisfied by Unimedic, HMG and HME	101.82	78.40	180.22
Amount paid by UH on behalf of our Company to the vendors of the Acquired Entities (includes a deposit of $2.00 million paid by UH on behalf of Unimedic to the vendors of IOCH, IOC and SBCC Clinic and SBCC S&T)	(21.76)	–	(21.76)
Amount due to vendors of the Acquired Entities as at 31 December 2007	**80.06**	**78.40**	**158.46**
Amount due from HMS to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T (less a deposit of $2.00 million paid by UH on behalf of Unimedic to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T)	(65.42)	(40.48)	(105.90)
Due from UH			
Amount due from Unimedic, HMG and HME to the vendors for the acquisition of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) as at 31 December 2007, which was assigned to UH pursuant to the Deed and the UH Deed	14.64	37.92	52.56
FY2008			
Amount paid by Unimedic to vendors of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) upon instruction from UH	(2.90)	–	(2.90)
Amount due from UH to the vendors for the acquisition of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) as at the Latest Practicable Date	**11.74**	**37.92**	**49.66**

Following the completion of the Restructuring Exercise:

(a) the shareholders of UH acquired an aggregate of 773,454,513 Shares as a result of UH Capitalisation 1;

(b) UH acquired 84,314,810 Shares as a result of UH Capitalisation 1;

(c) the CLN Holders (except Republic Investment), the Convertible Bondholders, PPCF and DBS Bank or its nominees acquired an aggregate of 182,550,252 Shares as a result of UH Capitalisation 2;

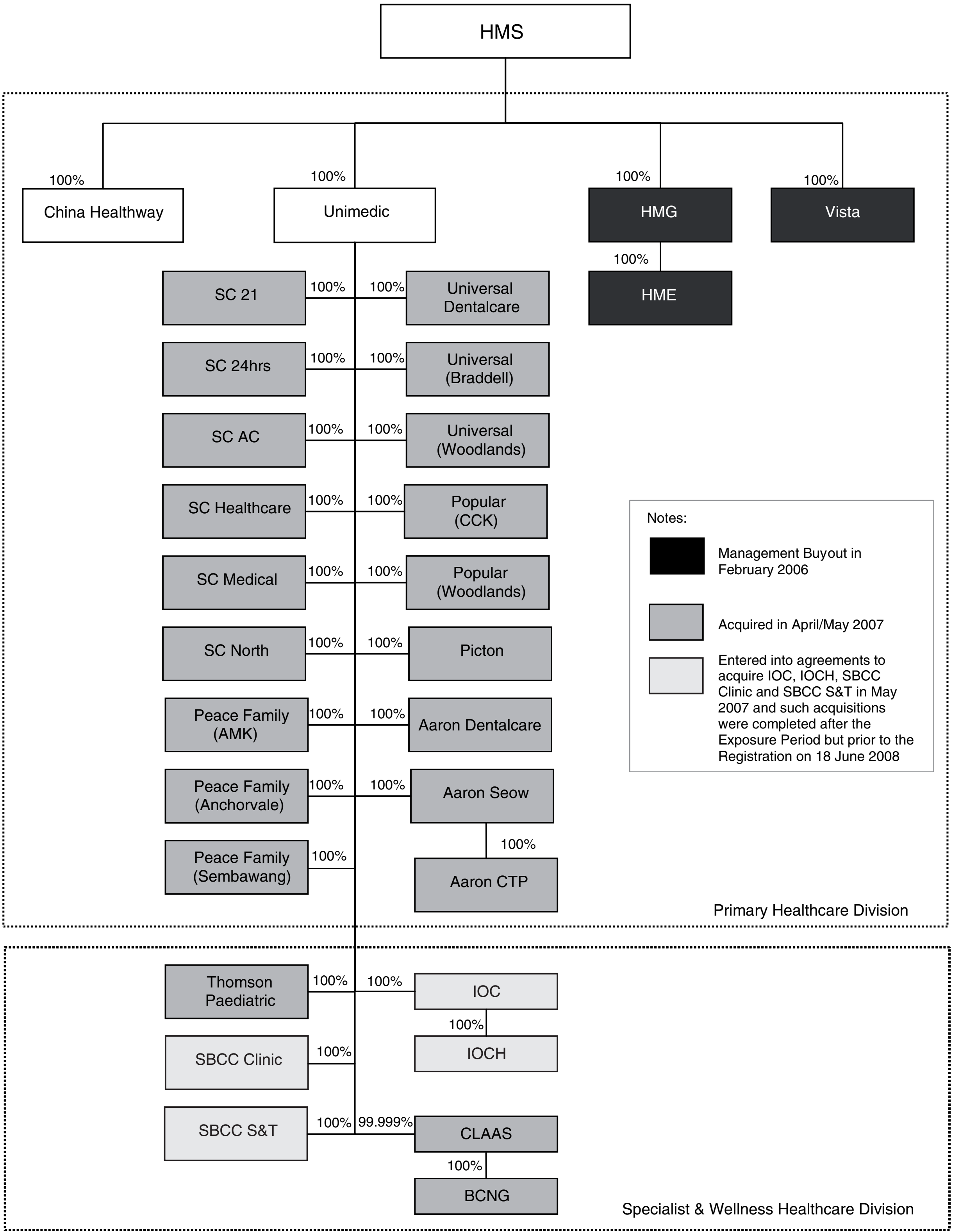
(d) the Doctor Shareholders (including Dr Wong Weng Hong) acquired an aggregate of 217,787,092 Shares; and

(e) an amount of $36.00 million of the HMS Debt was due from HMS to UH.

Please refer to the section entitled "Group Structure" of this Offer Document for details of our Group structure immediately after the Restructuring Exercise.

GROUP STRUCTURE

Our Group structure after the Restructuring Exercise and as at the Latest Practicable Date is as follows:



The details of our subsidiaries as at the Latest Practicable Date are as follows:

Name of company	Date and place of incorporation	Principal business / Principal place of business	% effective ownership
Aaron CTP	6 September 1991 Singapore	Dental services / Singapore	100%
Aaron Dentalcare	27 April 2004 Singapore	To carry on business of dental surgeons and to operate dental clinics / Singapore	100%
Aaron Seow	18 November 1995 Singapore	Dental services / Singapore	100%
BCNG	14 March 2005 Singapore	Investment holding and the provision of medical, wellness and aesthetic services / Singapore	99.999%(1)
China Healthway	2 March 2007 Singapore	Healthcare management organisations / Singapore	100%
CLAAS(1)	12 January 2005 Singapore	Specialised medical services (including day surgical centres) / Singapore	99.999%
HME	12 February 2000 Singapore	Provision of medical services and dealing in pharmaceutical and medical products / Singapore	100%(2)
HMG	2 February 1994 Singapore	General medical services (western) / Singapore	100%(2)
Peace Family (AMK)	11 June 2007 Singapore	Clinics and other general medical services (western) / Singapore	100%
Peace Family (Anchorvale)	25 July 2007 Singapore	Clinics and other general medical services (western) / Singapore	100%
Peace Family (Sembawang)	2 July 2007 Singapore	Clinics and other general medical services (western) / Singapore	100%
Picton	15 July 2005 Singapore	Clinics and other general medical services (western) / Singapore	100%
Popular (CCK)	11 May 2007 Singapore	Clinics and other general medical services (western) / Singapore	100%
Popular (Woodlands)	28 September 2006 Singapore	Clinics and other general medical services (western) / Singapore	100%
SC 21	24 January 2002 Singapore	Clinic and other medical services and specialised medical services / Singapore	100%

Name of company	Date and place of incorporation	Principal business / Principal place of business	% effective ownership
SC 24hrs	9 December 1999 Singapore	Clinics and other general medical services (western) and specialised medical services (including day surgical centres) / Singapore	100%
SC AC	13 December 2004 Singapore	Clinics and other general medical services (western) and other medical activities / Singapore	100%
SC Healthcare	4 January 1999 Singapore	Clinics and other general medical services (western) and specialised medical services (including day surgical centres) / Singapore	100%
SC Medical	13 September 1997 Singapore	Clinics and other general medical services (western) and specialised medical services (including day surgical centres) / Singapore	100%
SC North	15 July 2000 Singapore	Clinics and other general medical services (western) and specialised medical services (including day surgical centres) / Singapore	100%
Thomson Paediatric	30 July 1997 Singapore	Pharmacies and drug stores (western) and clinics and other general medical services (western) / Singapore	100%
Unimedic	19 January 2006 Singapore	Investment holding / Singapore	100%
Universal Dentalcare	28 October 1994 Singapore	Dental services / Singapore	100%
Universal (Braddell)	28 June 2006 Singapore	Clinics and other general medical services (western) / Singapore	100%
Universal (Woodlands)	28 July 2006 Singapore	Clinics and other general medical services (western) / Singapore	100%
Vista	21 March 1998 Singapore	Investment holding / Singapore	100%(2)

Notes:

(1) CLAAS has an issued and paid up share capital of $500,000 comprising 500,000 shares. Unimedic acquired 499,993 shares in the capital of CLAAS and the remaining seven shares are each held by the seven existing shareholders of CLAAS. Accordingly, Unimedic acquired approximately 99.999% of CLAAS.

BCNG is a wholly-owned subsidiary of CLAAS. Accordingly, HMS effectively owns approximately 99.999% of BCNG.

(2) Pursuant to term loan facilities comprising a 4-year term loan of $5,000,000 and a 6-month short-term loan of $1,000,000 extended to UH by DBS Bank as per DBS Bank's letter of offer dated 12 January 2006, the entire share capital of HME, HMG and Vista comprising 500,000, 265,005 and 2 shares in the capital of the respective companies were mortgaged to DBS Bank as security for the term loan facilities, whereby the 4-year term loan is repayable in full within four years from the drawdown date. We have obtained a release and discharge of this mortgage of securities as at the date of this Offer Document.

As at the Latest Practicable Date, the acquisitions of the following companies by Unimedic have not been completed. The completion of the acquisitions of these companies took place after the Exposure Period but prior to the Registration on 18 June 2008, whereupon our Company holds 100% effective interest in these companies.

Name of company	**Date and place of incorporation**	**Principal business / Principal place of business**	**% effective ownership after the Exposure Period but prior to the Registration**
SBCC Clinic	19 January 1988 Singapore	Specialised medical services (including day surgical centres) / Singapore	100%
SBCC S&T	22 January 1988 Singapore	Pharmacies and drug stores (western) / Singapore	100%
IOC	23 March 1995 Singapore	Clinics and other general medical services (western) and specialised medical services (including day surgical centres) / Singapore	100%
IOCH[1]	2 October 2003 Singapore	Investment holding / Singapore	100%

Note:

(1) IOCH is a wholly-owned subsidiary of IOC.

None of our subsidiary companies is listed on any stock exchange. We do not have any associated companies.

FINANCIAL INFORMATION OF OUR PROFORMA GROUP

The following financial information of our Proforma Group should be read in conjunction with the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007" as set out in Appendix A of this Offer Document.

A summary of the unaudited proforma financial information of our Proforma Group in respect of FY2005, FY2006 and FY2007 is set out below:

Results of Operations of our Proforma Group[(1)]

	Unaudited Proforma		
($'000)	**FY2005**	**FY2006**	**FY2007**
Revenue	**66,566**	**75,632**	**84,608**
Other operating income	856	940	528
Medical supplies and consumables used	(12,428)	(13,325)	(13,142)
Laboratory and other expense	(1,397)	(2,547)	(2,731)
Staff costs	(25,714)	(28,987)	(34,703)
Depreciation of property, plant and equipment	(1,026)	(926)	(756)
Amortisation of intangible assets	(58)	(51)	(42)
Other operating expenses	(8,536)	(10,428)	(11,653)
Finance costs	(1,878)	(2,042)	(2,051)
Profit before income tax	16,385	18,266	20,058
Income tax expense	(3,339)	(3,972)	(3,504)
Profit for the year	**13,046**	**14,294**	**16,554**
Earnings per share (cents)[(2)]			
- Basic	1.04	1.13	1.31

Notes:

(1) The financial results of our Proforma Group for the period under review has been prepared on the basis that our Proforma Group has been in existence throughout the period under review. Please refer to Appendix A of this Offer Document for the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007".

(2) For comparative purposes, earnings per share is computed based on the profit for the year and the pre-Invitation share capital of 1,259,500,000 Shares.

Financial Position of our Proforma Group

($'000)	Unaudited Proforma as at 31 December 2007
Non-current assets	
Property, plant and equipment	3,352
Intangible assets	179,191
Deferred tax assets	173
	182,716
Current assets	
Inventories	3,077
Trade and other receivables	17,398
Cash and cash equivalents	11,276
	31,751
Total assets	**214,467**
Equity	
Share capital	86,000
Accumulated profits	6,422
Total equity	92,422
Non-current liabilities	
Provision for restoration costs	416
Financial liabilities	57,426
Amounts due to holding company (non-trade)	38,063
	95,905
Current liabilities	
Trade and other payables	16,603
Financial liabilities	5,941
Current tax payable	3,596
	26,140
Total liabilities	122,045
Total equity and liabilities	**214,467**

The following discussion of the results of operations and financial position of our Proforma Group should be read in conjunction with the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007" as set out in Appendix A of this Offer Document.

The discussion is based on the unaudited proforma financial information of our Proforma Group which has been prepared on the basis that our Proforma Group has been in existence since 1 January 2005 and throughout the period under review.

OVERVIEW

Revenue

Revenue is derived from our Primary Healthcare division and Specialist & Wellness Healthcare division where income is generated from walk-in, referred, corporate and private patients. The Primary Healthcare division consists of general practice and dentistry medical practice groups and the provision of healthcare benefits management. The Specialist & Wellness Healthcare division consists of paediatrics, aesthetic medicine and orthopaedics medical practice groups.

Sources of revenue include:

(a) fees for clinical consultation, medical tests, treatment procedures and services rendered;

(b) service fees for the provision of healthcare benefits management for corporate clients; and

(c) sale of medicine and related healthcare products.

Revenue from fees is recognised upon the completion of services rendered. These fees vary depending on the length of consultation, time of consultation, types of the medical tests, complexity of the treatment procedures and expertise of the individual specialist.

Revenue from the sale of medicine and related healthcare products are recognised upon delivery and acceptance of goods by patients.

Our revenue is mainly dependent on the following factors:

(a) nature, complexity and duration of treatment as well as the level of medical expertise required;

(b) patient demand, which is dependent on the individual's preferences and socio-economic circumstances;

(c) ability to recruit and retain experienced and qualified healthcare professionals who have the expertise to provide quality and effective healthcare services to meet the demands of our patients;

(d) ability to maintain a good reputation as a quality healthcare service provider;

(e) changes in government policies or regulations; and

(f) the outbreak of diseases that may affect the demand for our services.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

Other operating income

Other operating income comprises mainly rental income from subleasing of premises, interest income from fixed deposits and other sundry income and accounted for 1.29%, 1.24% and 0.62% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Operating costs

Our operating costs comprise medical supplies and consumables used, laboratory and other expense, staff costs, depreciation and impairment expenses, and other operating expenses.

Medical supplies and consumables used

This cost relates to the purchases of drugs and medicine, dental and medical supplies and other consumables. Our medical supplies and consumables used accounted for approximately 18.67%, 17.62% and 15.53% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Laboratory and other expense

Laboratory and other expense relate to expenses like medical test fees and miscellaneous costs. Medical test fees include those incurred for health screening, laboratory test and radiology. Our laboratory and other expense accounted for approximately 2.10%, 3.37% and 3.23% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Staff costs

Our staff costs consist of remuneration paid to directors, physicians, nurses, as well as other medical and administrative support staff. These include fixed and variable components of salaries and wages, allowances, bonuses, CPF contributions, directors' remuneration and fees and fees paid to associate physicians and dentists.

Our physicians are remunerated on a fixed and/or variable salary scheme. The variable component of the salary scheme is tied to the performance of the individual physician. This is based on a fixed or graduated percentage of a performance indicator that includes the respective doctor's revenue or operating income. Our staff costs accounted for approximately 38.63%, 38.33% and 41.02% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Depreciation and impairment expenses

Depreciation and impairment expenses comprise mainly depreciation of property, plant and equipment and amortisation of intangible assets. Depreciation of property, plant and equipment refers mainly to depreciation on our furniture and fittings, leasehold improvements, office equipment, medical equipment and computers over their useful economic lives of between three to ten years. As permitted by SFRS 103 Business Combinations, the goodwill arising from our acquisition has been tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired, in accordance with revised SFRS 36 Impairment of Assets.

Our depreciation of property, plant and equipment accounted for approximately 1.54%, 1.22% and 0.89% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Our amortisation of intangible assets, in relation to computer software, accounted for approximately 0.09%, 0.07% and 0.05% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Other operating expenses

Operating lease expenses, accounting fees, advertising and promotions, insurance, maintenance of equipment, utilities and credit cards charges are the major components of our other operating expenses. Other operating expenses accounted for approximately 12.82%, 13.79% and 13.77% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Our operating costs may be affected by the following factors:

(a) changes in prices of drugs and medicine, dental and medical supplies and other consumables;

(b) changes in hospital charges or medical test fees;

(c) changes in payroll and related costs due to factors such as fixed wages levels and the variable component of the salary scheme, availability of labour in the market, qualifications and experience of the professionals and employees hired, staff head count and changes in government policies and regulations such as CPF contributions;

(d) an increase in depreciation due to additions of property, plant and equipment;

(e) impairment losses of goodwill, if any; and

(f) changes in operating lease expenses that are dependent on the terms of our lease agreements, property market conditions in the location in which we operate in and the grant of rebates.

Finance Costs

Our finance costs comprise interest expense on borrowings from banks and financial institutions, and finance leases. Our finance costs accounted for approximately 2.82%, 2.70% and 2.42% of our total revenue for FY2005, FY2006 and FY2007 respectively.

Income Tax

Our overall effective tax rate for FY2005, FY2006 and FY2007 were 20.38%, 21.75% and 17.47% respectively. The Singapore statutory corporate tax rates for FY2005 and FY2006 were 20.0% and for FY2007 was 18.0%. Our effective tax rates for FY2005 and FY2006 were higher than the Singapore statutory corporate tax rates due mainly to expenses not deductible for tax purposes. In FY2007, our effective tax rate was lower than the Singapore statutory corporate tax rate due mainly to income not subject to taxation.

RESULTS OF OPERATIONS

Breakdown of our past performance by business division

A breakdown and analysis of our revenue and profit by business division for FY2005, FY2006 and FY2007 is set out below and should be read in conjunction with the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007" as set out in Appendix A of this Offer Document.

Revenue

	FY2005		FY2006		FY2007	
	$'000	%	$'000	%	$'000	%
Primary Healthcare	35,990	54.07	40,439	53.47	45,300	53.54
Specialist & Wellness Healthcare	30,576	45.93	35,193	46.53	39,308	46.46
Total	**66,566**	100.00	**75,632**	100.00	**84,608**	100.00

Profit before income tax

	FY2005		FY2006		FY2007	
	$'000	%	$'000	%	$'000	%
Primary Healthcare	5,893	35.97	6,728	36.83	7,054	35.17
Specialist & Wellness Healthcare	12,292	75.02	13,338	73.02	14,804	73.80
	18,185	110.99	20,066	109.85	21,858	108.97
Unallocated Expenses[1]	(1,800)	(10.99)	(1,800)	(9.85)	(1,800)	(8.97)
Total	**16,385**	100.00	**18,266**	100.00	**20,058**	100.00

Note:

(1) Unallocated expenses comprise interest expenses.

Profit before income tax margin (before unallocated expenses)

	FY2005	FY2006	FY2007
	%	%	%
Primary Healthcare	16.37	16.64	15.57
Specialist & Wellness Healthcare	40.20	37.90	37.66

There is no breakdown and analysis of our revenue and profit by geographical segments as our operations are predominantly in Singapore.

REVIEW OF PAST PERFORMANCE

FY2006 vs FY2005

Revenue

We enjoyed revenue growth of $9.07 million or 13.62% from $66.57 million in FY2005 to $75.63 million in FY2006 as revenue from both our Primary Healthcare division and Specialist & Wellness Healthcare division grew.

Revenue from the Primary Healthcare division increased from $35.99 million in FY2005 to $40.44 million in FY2006, by $4.45 million or 12.36%, contributed mainly by increase in patient traffic as well as the opening of 11 new clinics in FY2006. These new clinics were mainly opened by HMG.

Revenue from the Specialist & Wellness Healthcare division grew by $4.62 million or 15.10% to $35.19 million in FY2006 from $30.58 million in FY2005. The growth in the revenue by the Specialist & Wellness Healthcare division was mainly driven by higher demand for our specialist services and the increase in fees charged for clinical consultation, medical tests, treatment procedures and services rendered.

Operating costs

Our operating costs comprised medical supplies and consumables used, laboratory and other expense, staff costs, depreciation and impairment expenses, and other operating expenses.

Medical supplies and consumables used

Our medical supplies and consumables used increased by $0.90 million or 7.22% from $12.43 million in FY2005 to $13.33 million in FY2006. However, our medical supplies and consumables used, as a percentage of revenue, decreased from 18.67% in FY2005 to 17.62% in FY2006 as the increase in our medical supplies and consumables used was lower than our revenue growth in FY2006. The Specialist & Wellness Healthcare division has generally consumed lower medical supplies and consumables. The increase in the revenue contribution by the Specialist & Wellness Healthcare division had contributed to the lower percentage of medical supplies and consumables used. In addition, we enjoyed cost savings from the procurement of lower cost medical supplies in FY2006.

Laboratory and other expense

Our laboratory and other expense increased by $1.15 million or 82.32% from $1.40 million in FY2005 to $2.55 million in FY2006. Our laboratory and other expense accounted for 2.10% and 3.37% of our revenue in FY2005 and FY2006 respectively. The increase in our laboratory and other expense in FY2006 over FY2005 were due mainly to the increase in the proportion of revenue contributed by the Specialist & Wellness Healthcare division as this division consumed more of such expenses.

Staff costs

Our staff costs increased by $3.27 million or 12.73% from $25.71 million in FY2005 to $28.99 million in FY2006. This is in line with the increase in total headcount from 349 staff members in FY2005 to 396 staff members in FY2006 as our operating activities increased in FY2006.

Depreciation and impairment expenses

Our depreciation of property, plant and equipment decreased by $0.10 million or 9.75% in FY2006, from $1.03 million in FY2005 to $0.93 million in FY2006 as some assets became fully depreciated in FY2006. Our amortisation of intangible assets, in relation to computer software, decreased by $0.01 million or 12.07% in FY2006, from $0.06 million in FY2005 to $0.05 million in FY2006.

Other operating expenses

The increase in other operating expenses of $1.89 million or 22.16% from $8.54 million in FY2005 to $10.43 million in FY2006 was due mainly to the increase in operating lease expenses, insurance, utilities and miscellaneous expenses, in line with the increase in operating activities.

Finance costs

Finance costs increased slightly by $0.16 million or 8.73% from $1.88 million in FY2005 to $2.04 million in FY2006.

Profit before income tax

Profit before income tax increased by $1.88 million or 11.48% from $16.39 million in FY2005 to $18.27 million in FY2006, relatively in line with the growth in revenue in FY2006.

Income tax expense

Income tax expense increased by $0.63 million or 18.96% from $3.34 million in FY2005 to $3.97 million in FY2006. Our effective tax rate increased in FY2006 to 21.75% from 20.38% in FY2005 as there was a reduction in income not subject to taxation and an increase in expense not deductible for tax purposes in FY2006.

FY2007 vs FY2006

Revenue

Our revenue grew by $8.98 million or 11.87% from $75.63 million in FY2006 to $84.61 million in FY2007. Both the Primary Healthcare division and the Specialist & Wellness Healthcare division contributed to our overall revenue growth.

Revenue derived from the Primary Healthcare division increased by $4.86 million or 12.02% from $40.44 million in FY2006 to $45.30 million in FY2007 as the number of clinics continued to grow from 58 in FY2006 to 62 in FY2007. In addition, we enjoyed an increase in revenue in FY2007 as we enjoyed the full year contribution from the 11 new clinics that were opened in FY2006.

Revenue from the Specialist & Wellness Healthcare division grew by $4.12 million or 11.69% from $35.19 million in FY2006 to $39.31 million in FY2007 as our paediatrics medical practice group expanded and opened an additional clinic in Mount Alvernia Hospital. In addition, there was an overall increase in patient visits for the Specialist & Wellness Healthcare division in FY2007.

Operating costs

Our operating costs comprised medical supplies and consumables used, laboratory and other expense, staff costs, depreciation and impairment expenses, and other operating expenses.

Medical supplies and consumables used

Our medical supplies and consumables used decreased slightly by $0.18 million or 1.37% from $13.33 million in FY2006 to $13.14 million in FY2007 despite the increase in our revenue. As a percentage of revenue, our medical supplies and consumables used decreased from 17.62% in FY2006 to 15.53% in FY2007. We enjoyed cost savings through bulk purchases of medical supplies and consumables in FY2007 as we commenced central procurement of medical supplies and consumables during the year.

Laboratory and other expense

Our laboratory and other expense increased by $0.18 million or 7.22% from $2.55 million in FY2006 to $2.73 million in FY2007 as our revenue and operating activities in FY2007 increased. However, as a percentage of revenue, our laboratory and other expenses decreased from 3.37% in FY2006 to 3.23% in FY2007.

Staff costs

Our staff costs increased by $5.71 million or 19.72%, from $28.99 million in FY2006 to $34.70 million in FY2007. This is in line with the increase in total headcount from 396 staff members in FY2006 to 441 staff members in FY2007 as our operating activities continued to increase in FY2007.

Depreciation and impairment expenses

Our depreciation of property, plant and equipment decreased by $0.17 million or 18.36% from $0.93 million in FY2006 to $0.76 million in FY2007 as some assets became fully depreciated in FY2007.

Our amortisation of intangible assets, in relation to computer software, decreased by $0.01 million or 17.65% in FY2007, from $0.05 million in FY2006 to $0.04 million in FY2007.

Other operating expenses

The increase in other operating expenses by $1.22 million or 11.75% from $10.43 million in FY2006 to $11.65 million in FY2007 was due mainly to the increase in operating lease expenses, insurance, utilities and miscellaneous expenses, which was in line with the increase in our operating activities.

Finance costs

Finance costs increased slightly by $0.01 million or 0.44% from $2.04 million in FY2006 to $2.05 million in FY2007.

Profit before income tax

Profit before income tax increased by $1.79 million or 9.81% from $18.27 million in FY2006 to $20.06 million in FY2007 as a result of our total revenue growth in FY2007. However, profit before income tax margin dropped by 0.44% from 24.15% in FY2006 to 23.71% in FY2007. The lower profit before income tax margin in FY2007 was due mainly to the increase in costs.

Income tax expense

Income tax expense decreased by $0.47 million or 11.78% from $3.97 million in FY2006 to $3.50 million in FY2007. Our effective tax rate dropped to 17.47% in FY2007 from 21.75% in FY2006 as the Singapore statutory corporate tax rate reduced from 20.00% in FY2006 to 18.00% in FY2007 and income not subject to taxation increased.

RESULTS OF FINANCIAL POSITION

FY2007

Non-current assets

Non-current assets comprised property, plant and equipment, intangible assets and deferred tax assets. As at 31 December 2007, our total non-current assets of about $182.72 million accounted for approximately 85.20% of our total assets.

Intangible assets of $179.19 million constituted 98.07% of our total non-current assets while property, plant and equipment accounted for $3.35 million or 1.83% of total non-current assets and deferred tax assets of $0.17 million constituted 0.09% of our total non-current assets as at 31 December 2007. Intangible assets comprised goodwill of $171.09 million arising from the acquisition of the Acquired Entities, brand name of $8.00 million and computer software and others of $0.10 million.

Current assets

As at 31 December 2007, our total current assets of $31.75 million accounted for approximately 14.80% of our total assets. Our current assets consisted of inventories, trade and other receivables, as well as cash and cash equivalents.

The largest component of total current assets was trade and other receivables which accounted for $17.40 million or 54.80% of the total current assets as at 31 December 2007. Trade and other receivables comprise mainly trade receivables, unbilled receivables, deposits and prepayments, other receivables (including non-trade amounts due from the former shareholders, owners and/or directors of the Acquired Entities).

Inventories, which comprised pharmacy, medical and surgical supplies, accounted for $3.08 million or 9.69% of the total current assets as at 31 December 2007.

Stock-counts as at 31 December 2006 have not been observed for the preparation of the auditors' report of BCNG, SC 24hrs, SC Healthcare, SC North, SC 21, SC AC, SC Medical for the financial year ended 31 December 2006 and the auditors' report of BCNG for the financial year ended 31 December 2005. BCNG, SC 24hrs, SC Healthcare, SC North, SC 21, SC AC, SC Medical were acquired by Unimedic in April and May 2007. The inventories of these entities were not acquired by Unimedic pursuant to their respective sale and purchase agreements. There is no impact on the unaudited proforma consolidated balance sheet of our Group as at 31 December 2007, as the observation of inventory count was conducted at the balance sheet date.

Cash and cash equivalents amounted to $11.28 million or 35.51% of the total current assets as at 31 December 2007.

Non-current liabilities

As at 31 December 2007, our non-current liabilities of $95.91 million accounted for 78.58% of our total liabilities. Our non-current liabilities comprised mainly long-term portion of financial liabilities, long-term portion of amounts due to our holding company (non-trade) and provision of restoration costs.

The non-current portion of our financial liabilities of $57.43 million constituted 59.88% of our total non-current liabilities.

The long-term portion of amounts due to our holding company (non-trade) of $38.06 million constituted 39.69% of our total non-current liabilities. The amounts due to our holding company are unsecured and interest free.

Provision for restoration costs accounted for $0.42 million or 0.43% of our total non-current liabilities as at 31 December 2007.

Current liabilities

Current liabilities consisted of trade and other payables, financial liabilities, and current tax payable. As at 31 December 2007, our total current liabilities amounted to $26.14 million or approximately 21.42% of our total liabilities.

The main components of the current liabilities comprised trade and other payables of $16.60 million, which constituted 63.52% of the total current liabilities. Trade and other payables comprise mainly trade payables, accrued operating expenses, revenue received in advance and other payables.

Financial liabilities of $5.94 million and provision of current tax payable of $3.60 million constituted 22.73% and 13.76% of our total current liabilities as at 31 December 2007 respectively.

Shareholders' equity

As at 31 December 2007, our shareholders' equity amounted to $92.42 million comprising $86.00 million of equity and $6.42 million of accumulated profits.

The auditors' report for Aaron Seow and Aaron Dentalcare for the financial year ended 31 December 2005 and the auditors' report for CLAAS for the financial year ended 31 December 2006 were modified with a going-concern remark. However, the auditors concluded that there were reasonable grounds to believe that these entities will be able to pay their debts as and when they fall due as our Group has undertaken to provide financial support to enable them to continue their operations as a going concern in the foreseeable future. The aforementioned matter does not have any significant impact on the unaudited proforma financial information of our Proforma Group for the financial years ended 31 December 2005, 2006 and 2007.

LIQUIDITY AND CAPITAL RESOURCES

A summary of our cash flow for the financial year ended 31 December 2007 is as follows:

($'000)	FY2007
Cash flows from operating activities	19,635
Cash flows from investing activities	(855)
Cash flows from financing activities	(6,649)
Net increase in cash and cash equivalents	12,131
Cumulative effect of proforma adjustments	(2,106)
Cash and cash equivalents at beginning of year	684
Cash and cash equivalents at end of year	10,709

Cash flows from operating activities

Our operating profit before changes in working capital in FY2007 amounted to $23.03 million. Net cash used for working capital was approximately $3.13 million, attributed mainly to the increase in inventories of $0.52 million, the increase in trade and other receivables of $4.40 million and partially offset by the increase in trade and other payables of $1.79 million.

After taking into account the net cash used for working capital and tax paid of $0.26 million, our net cash generated from operating activities was $19.64 million in FY2007.

Cash flows from investing activities

Our net cash used in investing activities of $0.86 million in FY2007 comprised mainly purchase of property, plant and equipment of $0.82 million and purchase of computer software of $0.06 million, offset by interest received of $0.02 million.

Cash flows from financing activities

Our cash used in financing activities was $6.65 million in FY2007, attributed mainly to aggregate repayments of borrowings, finance lease liabilities, non-trade balances with our holding company and interest paid of $7.17 million, partially offset by proceeds from borrowings of $0.52 million.

Source of Liquidity

Our Proforma Group financed its operations through both internal and external sources and generated a positive cashflow of $12.13 million for FY2007. Our internal sources of funds comprise cash generated from our operating activities. Our external sources of funds comprise mainly banking facilities from financial institutions. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

As at the Latest Practicable Date, our Proforma Group had total banking facilities of $50.39 million, of which $4.21 million was utilised, or 91.65% of the total banking facilities remained unutilised. After the Invitation, our Proforma Group will utilise up to $45.00 million of the 4-year term loan facility from DBS Bank ("Term Loan Facility") to settle part of the consideration for the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T. The amount borrowed under the Term Loan Facility is repayable in 16 quarterly instalments and will be repaid using cash generated from our operating activities.

Prior to the Invitation, our Proforma Group had secured revolving credit facilities of approximately $20.00 million from RHB Bank Berhad for the payment to the vendors of IOCH, IOC, SBCC Clinic and SBCC S&T in connection with the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T. Our Proforma Group will also utilise up to $22.50 million of the short term loan, which is for a duration of up to 3 months, from Citibank ("Citibank Loan") to settle part of the amount due from HMS to UH. The Citibank Loan is repayable on demand and will be either refinanced by a long-term bank facility after the Invitation or repaid using cash generated from our operating activities.

As at the date of lodgement of this Offer Document, our Proforma Group had total banking facilities of $92.89 million.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our Group's operations, our Group's banking facilities and our Group's existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

SEASONALITY

Our business is subject to minor seasonal fluctuations and we generally experience a lower demand for our services during the months of February, June and December as a result of clinic closures due to public holidays as well as fewer individual patients during the school holidays. Our revenue is also generally lower during the seventh month of the lunar calendar. Typically, demand for our services is higher in the months of January, March to May and September to November.

INFLATION

For the last three financial years ended 31 December 2007, the performance of our Proforma Group has not been materially impacted by inflation.

EXCHANGE CONTROLS

There is no Singapore law or regulation that may affect (a) the repatriation of capital, including the availability of cash and cash equivalents for use by our Group; and (b) the remittance of profits that may affect dividends, interests or other payments to Shareholders.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Foreign currency transactions are translated into Singapore dollars at rates of exchange approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are translated at rates as at the balance sheet date. All profits and losses on exchange are dealt with through the income statement.

Foreign Exchange Exposure

Our reporting currency is in Singapore dollars and our revenue and purchases are denominated in Singapore dollars.

At present, we do not have any formal policy for hedging against foreign exchange exposure. We may consider hedging transactions when necessary and appropriate in the future. Prior to entering into any hedging transactions, we will put in place adequate procedures which must be reviewed and approved by our Audit Committee and seek our Board's approval for the adoption of the hedging policy.

SIGNIFICANT ACCOUNTING POLICY CHANGES

The accounting policies have been applied consistently by our Group throughout the period under review.

<u>New Accounting Standards and Interpretations not yet adopted</u>

Our Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amendments to FRS 23 — *Borrowing Costs*
- FRS 108 — *Operating Segments*
- INT FRS 111 — *FRS 102 Group and Treasury Share Transactions*
- INT FRS 112 — *Service Concession Arrangements*

FRS 108 will become effective for financial statements for the year ending 31 December 2009. FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on our Group's financial statements. Our Group has not considered the impact of accounting standards issued after the balance sheet date.

FINANCIAL INFORMATION OF OUR CONSOLIDATED GROUP

The following financial information of our Consolidated Group should be read in conjunction with the "Independent Auditors' Report on the Audited Consolidated Financial Statements of the Consolidated Group for the Financial Year ended 31 December 2007" as set out in Appendix B of this Offer Document.

A summary of the audited consolidated financial information of our Consolidated Group in respect of FP2006 and FY2007 is set out below:

Results of Operations of our Consolidated Group

	Audited Consolidated	
($'000)	**FP2006**	**FY2007**
Revenue	**16,907**	**42,797**
Other operating income	368	387
Share of profit of partnership clinics	416	245
Medical supplies and consumables used	(3,140)	(6,033)
Laboratory and other expenses	(601)	(943)
Staff costs	(8,828)	(21,871)
Depreciation of property, plant and equipment	(205)	(412)
Amortisation of intangible assets	(43)	(42)
Other operating expenses	(3,835)	(7,696)
Finance costs	(40)	(197)
Profit before income tax	999	6,235
Income tax expense	(179)	(633)
Profit for the period/year attributable to Shareholders	**820**	**5,602**

Earnings per Share

The EPS set out below is for illustrative purposes only and is based on the pre-Invitation share capital of 1,259,500,000 Shares.

	FP2006	**FY2007**
Basic	0.07	0.44

Financial Position of our Consolidated Group

($'000)	Audited Consolidated As at 31 December 2006	Audited Consolidated As at 31 December 2007
Non-current assets		
Property, plant and equipment	1,582	2,973
Intangible assets	9,014	82,822
Deferred tax assets	–	240
Partnership clinics	531	–
	11,127	86,035
Current assets		
Inventories	894	2,494
Trade and other receivables	3,314	9,391
Cash and cash equivalents	784	6,561
	4,992	18,446
Total assets	**16,119**	**104,481**
Equity		
Share capital	–	1
Accumulated profits	820	6,422
Total equity	820	6,423
Non-current liabilities		
Provision for restoration costs	440	416
Financial liabilities	–	676
Amounts due to holding company	4,943	83,582
	5,383	84,674
Current liabilities		
Trade and other payables	8,663	9,587
Financial liabilities	1,035	2,248
Current tax payable	218	1,549
	9,916	13,384
Total liabilities	15,299	98,058
Total equity and liabilities	**16,119**	**104,481**

RESULTS OF OPERATIONS

Breakdown of our past performance by business division

A breakdown and analysis of our revenue and profit by business division for FP2006 and FY2007 is set out below and should be read in conjunction with the "Independent Auditors' Report on the Audited Consolidated Financial Statements of the Consolidated Group for the Financial Year ended 31 December 2007" as set out in Appendix B of this Offer Document.

Revenue

	FP2006		FY2007	
	$'000	%	$'000	%
Primary Healthcare	16,907	100.00	35,470	82.88
Specialist & Wellness Healthcare	–	–	7,327	17.12
Total	16,907	100.00	42,797	100.00

Profit before income tax

	FP2006		FY2007	
	$'000	%	$'000	%
Primary Healthcare	999	100.00	4,418	70.86
Specialist & Wellness Healthcare	–	–	2,014	32.30
	999	100.00	6,432	103.16
Unallocated Expenses[(1)]	–	–	(197)	(3.16)
Total	999	100.00	6,235	100.00

Note:

(1) Unallocated expenses comprise mainly provision for restoration costs and interest expenses.

Profit before income tax margin (before unallocated expenses)

	FP2006	FY2007
	%	%
Primary Healthcare	5.91	12.46
Specialist & Wellness Healthcare	–	27.49

There is no breakdown and analysis of our revenue and profit by geographical segments as our operations are predominantly in Singapore.

REVIEW OF PAST PERFORMANCE

FP2006

Revenue

Our Consolidated Group's revenue in FP2006, being its first year of operation, was approximately $16.91 million for the months beginning 16 February 2006 to 31 December 2006. Revenue from our Primary Healthcare division accounted for approximately all of total revenue in FP2006 as our Consolidated Group was principally engaged in the provision of primary healthcare services in Singapore during the period beginning 16 February 2006 to 31 December 2006. During the period, our Consolidated Group expanded its network of clinics to 38 clinics.

No single client accounted for 5% or more of our total revenue for FP2006 and all the revenue in FP2006 were derived from customers in Singapore.

Share of profits of partnership clinics

The share of profits of partnership clinics was approximately $0.42 million or 2.46% of total revenue in FP2006.

Operating costs

Overall operating costs were approximately $16.69 million in FP2006.

Medical supplies and consumables used were approximately $3.14 million in FP2006 and the medical supplies and consumables used as a percentage of revenue were 18.57% in FP2006. Laboratory and other expenses accounted for approximately $0.60 million or 3.55% of total revenue in FP2006.

As we expanded our clinic network in FP2006, staff costs accounted for approximately $8.83 million or 52.89% of total operating expenses. Overall depreciation of property, plant and equipment amounted to $0.21 million or 1.23% of total operating expenses. Amortisation of intangible assets relating to the goodwill and brand name of our Consolidated Group amounted to $0.04 million or 0.26% of total operating expenses.

Other operating expenses accounted for approximately $3.84 million or 22.98% of total operating expenses.

Finance costs

Finance costs amounted to approximately $0.04 million or 0.24% of total operating expenses in FP2006.

Profit before income tax

Arising from the above, our Consolidated Group's profit before income tax was approximately $1.00 million in FP2006 and our profit before income tax margin was 5.91%.

Income tax expense

Our income tax expense for FP2006 was approximately $0.18 million. The effective tax rate of our Consolidated Group was 17.92% for FP2006, which was lower than the Singapore statutory tax rate of 20.00% for the year after deducting non-tax deductible expenses and adding back capital allowances resulting in a lower effective tax rate.

FY2007 vs FP2006

Revenue

Our Consolidated Group's revenue in FY2007 was approximately $42.80 million, an increase of $25.89 million or 153.13% from $16.91 million in FP2006. This was due to the maiden contribution from the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) from the date of the respective acquisition dates during FY2007. During FY2007, our Consolidated Group's operations expanded to include the Primary Healthcare division and Specialist & Wellness Healthcare division. Revenue from our Primary Healthcare division and Specialist & Wellness Healthcare division accounted for approximately $35.47 million or 82.88% and $7.33 million or 17.12% of total revenue in FY2007 respectively. In FP2006, all revenue was derived from the Primary Healthcare division.

Share of profits of partnership clinics

The share of profits of partnership clinics decreased by $0.17 million or 41.11% from $0.42 million in FP2006 to $0.25 million in FY2007 with the completion of the acquisition of the remaining interest in the partnership clinics during the year.

Operating costs

With the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) in May and June 2007, overall operating costs increased by approximately $20.50 million or 122.83% from $16.69 million in FP2006 to approximately $37.19 million in FY2007 due mainly to the increase in staff costs and other operating expenses.

Medical supplies and consumables used

Medical supplies and consumables used increased by $2.89 million or 92.13% to $6.03 million in FY2007 from $3.14 million in FP2006. Medical supplies and consumables used as a percentage of revenue were 18.57% and 14.10% for FP2006 and FY2007 respectively. The lower percentage of revenue is the result of the inclusion of the Acquired Entities in FY2007 where the usage of medical supplies and consumables as a percentage of revenue is lower, in particular the Acquired Entities that are in the Specialist & Wellness Healthcare division.

Laboratory and other expenses

Laboratory and other expenses were approximately $0.94 million in FY2007, an increase of $0.34 million or 56.91% from $0.60 million in FP2006. Laboratory and other expenses relate mainly to the medical tests carried out by both our Specialist & Wellness Healthcare division and Primary Healthcare division. The higher laboratory and other expenses incurred were due to the inclusion of Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) in FY2007.

Staff costs

With the expansion of our clinic network in FP2006 and inclusion of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T), head counts have increased in FY2007. Our staff costs increased by $13.04 million or 147.75%, from $8.83 million in FP2006 to $21.87 million in FY2007. Staff costs for FP2006 and FY2007 accounted for approximately 52.89% and 58.80% of total operating expenses respectively. Staff headcount increased from 170 as at 31 December 2006 to 369 as at 31 December 2007.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment has increased by $0.21 million or 100.98% from $0.21 million in FP2006 to $0.41 million in FY2007, due mainly to the additions of property, plant and equipment as a result of the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T).

Other operating expenses

Other operating expenses related mainly to operating lease expenses, accounting fees, advertising and promotions, insurance, maintenance of equipment, utilities and credit cards charges. Other operating expenses increased by $3.86 million or 100.68% from $3.84 million in FP2006 to $7.70 million in FY2007. Other operating expenses increased in FY2007 in line with the increase in operating activities with the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T).

Finance costs

Finance costs amounted to approximately $0.20 million in FY2007, an increase of $0.16 million or 392.50% from $0.04 million in FP2006.

Profit before income tax

Overall profit before income tax increased by $5.24 million or 524.12% from $1.00 million in FP2006 to $6.24 million in FY2007. Overall, our profit before income tax margin improved from 5.91% in FP2006 to 14.57% in FY2007 with the inclusion of the business from the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T), particularly entities within the Specialist & Wellness Healthcare division.

Income tax expense

Our tax charge for FY2007 was approximately $0.63 million, an increase of $0.45 million or 253.63% from $0.18 million in FP2006 and the effective tax rate of the Group is 10.15% for FY2007 as compared to the effective tax rate of 17.92% for the FP2006.

RESULTS OF FINANCIAL POSITION

FP2006

Current assets

As at 31 December 2006, our current assets of $4.99 million accounted for approximately 30.97% of our total assets. Our current assets consisted of cash and cash equivalents, trade receivables, other receivables and prepayment and inventories.

As at 31 December 2006, our trade and other receivables of $3.31 million constituted 66.39% of total current assets. Our trade receivables and other receivables comprised mainly trade receivables, unbilled receivables, deposits, prepayments and amounts due from holding company (non-trade).

As at 31 December 2006, our inventories of $0.89 million accounted for approximately 17.91% of our total current assets. Our inventories consisted of drugs, medical supplies and consumables.

Cash and cash equivalents as at 31 December 2006 amounted to approximately $0.78 million or 15.71% of total current assets.

Non-current assets

As at 31 December 2006, our non-current assets of about $11.13 million accounted for approximately 69.03% of our total assets. Our non-current assets comprised plant, property and equipment, intangible assets and partnership clinics.

Intangible assets of $9.01 million constituted 81.01% of our total non-current assets and related to goodwill and brand name arising from the Management Buy-out and computer software. For the purpose of impairment testing, goodwill is allocated to the respective medical practice groups at which the goodwill is monitored for internal management purposes. The recoverable amount of the respective cash generating units was based on their value in use which was determined by discounting the future cash flows generated from the continuing use of the respective unit. No impairment loss was required for the carrying amount of goodwill assessed at 31 December 2006 as the recoverable amount was in excess of its carrying value.

Property, plant and equipment and partnership clinics as at 31 December 2006 amounted to approximately $1.58 million or 14.22% and $0.53 million or 4.77% of our total non-current assets respectively.

Current liabilities

As at 31 December 2006, our current liabilities of $9.92 million accounted for 64.81% of our total liabilities. Our current liabilities consisted of trade and other payables,, financial liabilities and current tax payable. Trade and other payables, which comprised trade payables, accrued operating expenses, revenue received in advance, other payables and amounts due to holding company and partnership clinics amounted to $8.66 million or approximately 87.36% of our total current liabilities as at 31 December 2006.

Financial liabilities of $1.04 million and provision for current tax payable of $0.22 million constituted 10.44% and 2.20% of our total current liabilities as at 31 December 2006 respectively.

Non-current liabilities

As at 31 December 2006, total non-current liabilities, which comprised provision for restoration costs and amounts due to holding company amounted to $5.38 million, accounted for 35.19% of our total liabilities.

Amounts due to holding company of $4.94 million constituted 91.83% of our total non-current liabilities as at 31 December 2006.

The provision for restoration costs of $0.44 million related to the estimated cost of dismantling, removing and restoring the commercial premises to its original condition at the expiration of the lease period.

Shareholders' equity

As at 31 December 2006, our shareholders' equity amounted to $0.82 million comprising mainly accumulated profits.

FY2007

Current assets

As at 31 December 2007, our total current assets of $18.45 million accounted for approximately 17.65% of our total assets. Our current assets consisted of cash and cash equivalents, trade receivables, other receivables and prepayment and inventories.

The largest component of our total current assets was trade and other receivables which accounted for $9.39 million or 50.91% of our total current assets as at 31 December 2007. Trade and other receivables comprised mainly trade receivables, unbilled receivables, advances paid to acquire companies, amounts due from holding company (non-trade), deposits, prepayments and other receivables (including non-trade amounts due from former shareholders, owners and/or directors of the Acquired Entities).

Inventories, which comprised pharmacy, medical and surgical supplies, accounted for $2.49 million or 13.52% of the total current assets as at 31 December 2007.

Cash and cash equivalents amounted to $6.56 million or 35.57% of the total current assets as at 31 December 2007.

Non-current assets

Non-current assets comprised property, plant and equipment, intangible assets and deferred tax assets. As at 31 December 2007, our total non-current assets of about $86.04 million accounted for approximately 82.35% of our total assets.

Intangible assets of $82.82 million constituted 96.27% of our total non-current assets while property, plant and equipment accounted for $2.97 million or 3.46% of our total non-current assets as at 31 December 2007. Intangible assets comprised goodwill of $74.72 million arising from the acquisition of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T), brand name of $8.0 million, and computer software and others of approximately $0.10 million.

Current liabilities

Current liabilities consisted of trade and other payables, financial liabilities and current tax payable. As at 31 December 2007, our total current liabilities amounted to $13.38 million or approximately 13.65% of our total liabilities.

The main components of our total current liabilities comprised trade and other payables of $9.59 million, which constituted 71.63% of our total current liabilities. Trade and other payables comprised mainly trade payables, accrued operating expenses, revenue received in advance, other payables as well as non-trade amounts due to holding company and partnership clinics.

Financial liabilities of $2.25 million and provision for current tax payable of $1.55 million constituted 16.80% and 11.57% of our total current liabilities as at 31 December 2007 respectively.

Non-current liabilities

As at 31 December 2007, our total non-current liabilities of $84.67 million accounted for 86.35% of our total liabilities. Our non-current liabilities comprised mainly long term portion of amounts due to holding company, long-term portion of financial liabilities and provision of restoration costs.

The amounts due to holding company of $83.58 million, which constituted 98.71% of our total non-current liabilities, included the outstanding purchase consideration for the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) of $52.56 million. The amount of $83.58 million will be fully settled by us prior to the admission of our Company to the Catalist. Please refer to the sections entitled "Restructuring Exercise" and "Interested Person Transactions" of this Offer Document for more details.

Provision for restoration costs accounted for $0.42 million or 0.49% of our total non-current liabilities as at 31 December 2007.

The non-current portion of our financial liabilities of $0.68 million constituted 0.80% of our total non-current liabilities.

Shareholders' equity

As at 31 December 2007, our shareholders' equity amounted to $6.42 million comprising mainly accumulated profits.

LIQUIDITY AND CAPITAL RESOURCES

A summary of our cash flow for the financial period from 16 February 2006 to 31 December 2006 and for the financial year ended 31 December 2007 are as follows:

($'000)	FP2006	FY2007
Cash flows from operating activities	2,249	4,989
Cash flows from investing activities	242	(20,697)
Cash flows from financing activities	(1,747)	21,401
Net increase in cash and cash equivalents	744	5,693
Cash and cash equivalents at beginning of period/year	–	744
Cash and cash equivalents at end of period/year	744	6,437

FP2006

Cash flows from operating activities

For FP2006, our operating profit before changes in working capital amounted to $0.88 million. Net cash generated from working capital was approximately $1.37 million, attributed to the decrease in trade and other receivables of $0.19 million and the increase in trade payables of $1.31 million, and was partially offset by the increase in inventories of $0.13 million.

After taking into account the net cash generated from working capital, our net cash generated from operating activities was $2.25 million in FP2006.

Cash flows from investing activities

For FP2006, net cash inflow from investing activities was approximately $0.24 million, of which $0.92 million was from net cash inflow on acquisition of subsidiaries and $0.14 million was from distribution received from partnership clinics. This was offset by $0.78 million used to purchase property, plant and equipment and $0.04 million used to purchase intangible assets.

Cash flows from financing activities

For FP2006, our cash used for financing activities was $1.75 million, attributed mainly to the repayment of loan from the holding company amounting to $1.40 million, repayment of non-trade amounts due to holding company and partnership clinics of $1.30 million and interest payment of $0.04 million, offset by proceeds from bank loans of $0.99 million.

FY2007

Cash flows from operating activities

For FY2007, our operating profit before changes in working capital amounted to $6.76 million. Net cash used for working capital was approximately $1.75 million, attributed to the increase in inventories of $1.31 million, the increase in trade and other receivables of $2.66 million and partially offset by the increase in trade payables of $2.22 million.

After taking into account the net cash used for working capital and tax paid of $0.02 million, our net cash generated from operating activities was $4.99 million in FY2007.

Cash flows from investing activities

For FY2007, the net cash used for investing activities of $20.70 million comprised net cash outflow of $18.65 million on acquisition of subsidiaries, $2.00 million on advances paid to Acquired Entities, $0.64 million and $0.06 million on purchase of property, plant and equipment and intangible assets respectively. However, the cash outflow was offset by $0.01 million and $0.64 million from interest received and distribution received from partnership clinics respectively.

Cash flows from financing activities

Cash generated from financing activities for FY2007 amounted to $21.40 million. There were cash proceeds amounting to $26.88 million, arising mainly from loan by the holding company of $26.36 million and borrowings of $0.52 million. Repayments to the holding company, partnership clinics, former shareholders, owners and/or directors of Acquired Entities (excluding IOC, IOCH, SBCC Clinics and SBCC S&T) amounted to $4.63 million. There were also repayments of borrowings, interest payment and finance lease liabilities payment of $0.63 million, $0.19 million and $0.03 million respectively.

CAPITAL EXPENDITURE AND DIVESTMENT

The capital expenditures and disposals of property, plant and equipment made by our Consolidated Group for FY2005[(1)], FY2006[(1)], FY2007 and from 1 January 2008 to the Latest Practicable Date are set out in the following table. For acquisitions and divestments of investments in companies and businesses, please refer to the section entitled "Restructuring Exercise" of this Offer Document for more information.

($'000)	**FY2005[(1)]**	**FY2006[(1)]**	**FY2007**	**1 January 2008 to Latest Practicable Date**
Acquisitions				
- leasehold improvements	66	1,018	143	195
- medical equipment	1	56	238	11
- computers	11	55	122	11
- furniture and fittings	11	27	149	2
- office equipment	19	27	82	3
- signboards	4	40	23	–
Total	**112**	**1,223**	**757**	**222**
Acquired under business combinations				
- leasehold improvements	–	–	379	–
- medical equipment	–	–	529	–
- computers	–	–	87	–
- furniture and fittings	–	–	127	–
- office equipment	–	–	38	–
- motor vehicles	–	–	24	–
- signboards	–	–	2	–
Total	**–**	**–**	**1,186**	**–**
Disposal				
- leasehold improvements	88	21	104	6
- medical equipment	42	–	27	–
- computers	31	–	6	3
- furniture and fittings	60	–	1	–
- office equipment	28	11	6	–
- signboards	10	–	6	–
Total	**259**	**32**	**150**	**9**

Note:

(1) In FY2005 and FY2006, our Consolidated Group comprised only HMG, HME and Vista.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the "Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years ended 31 December 2005, 2006 and 2007" set out in the Appendix A and the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position of our Proforma Group" of this Offer Document, shows our cash and bank balances, capitalisation and indebtedness as at 31 December 2007:

(i) on a proforma basis before adjustments; and

(ii) as adjusted to give effect to the application of the net proceeds from the Invitation, after deducting estimated listing expenses in relation to the Invitation.

($'000)	**As at 31 December 2007**	**As adjusted**
Cash and bank balances	11,276	43,592
Short term debt		
Bank overdraft	567	567
Bank loans	5,332	5,332
Finance lease liabilities	42	42
	5,941	5,941
Long term debt		
Bank loans	57,317	57,317
Finance lease liabilities	109	109
	57,426	57,426
Total shareholders' equity	92,422	124,738
Total capitalisation and indebtedness	155,789	188,105

As at 27 May 2008, on a proforma basis, there were no material changes to our capitalisation and indebtedness as disclosed above, save for:

(i) the increase in our cash and bank balances to $12.35 million;

(ii) the decrease in our bank overdraft to $0.10 million;

(iii) the decrease in our bank loans to $62.21 million;

(iv) the increase in our finance lease liabilities to $0.31 million; and

(v) changes in our reserves arising from day-to-day operations in the ordinary course of business.

As at the Latest Practicable Date, the total banking facilities available to our Consolidated Group amounted to $50.39 million, of which $46.18 million has yet to be utilised. As at the date of lodgement of this Offer Document, our Proforma Group had total banking facilities of $92.89 million, of which $30.58 million has yet to be utilised.

As at the Latest Practicable Date, our Group's banking facilities from the financial institutions are as follows:

Financial Institutions	Nature of facility	Amounts utilised as at the Latest Practicable Date ($)	Borrower	Purpose of Facility
UOB	Overdraft of $100,000 repayable on demand	100,000	CLAAS	Working capital
UOB	5-year Term Loan of $1,328,000 repayable in 60 monthly instalments commencing from one month from the date of drawdown	628,003	CLAAS	To finance the acquisition of BCNG
UOB	3-year Term Loan of $1,280,000 repayable in 36 monthly instalments commencing from one month from the date of drawdown	297,131	CLAAS	To finance the acquisition of BCNG
UOB	2-year Term Loan of $100,000 repayable in 24 monthly instalments commencing from one month from the date of drawdown	4,399	CLAAS	Working capital
DBS Bank	2-year Term Loan of $500,000 repayable in 24 monthly instalments commencing from June 2007	201,593	HMG	To finance renovation of the new general practice clinics and speciality care centres
DBS Bank	2-year Term Loan of $100,000 repayable in 24 monthly instalments commencing from June 2007	56,022	HMG	To purchase new and used medical equipment and related accessories
DBS Bank	Letters of Guarantee facility of $65,000 recallable on demand as per the DBS Bank's letter of offer dated 17 December 2007	60,357[1]	HMG	For issuance of rental and security deposits in favour of parties acceptable to DBS Bank
DBS Bank	Working Capital line of $1,000,000 recallable on demand as per the DBS Bank's letter of offer dated 17 December 2007	Nil	HMG	Working capital

Financial Institutions	Nature of facility	Amounts utilised as at the Latest Practicable Date ($)	Borrower	Purpose of Facility
DBS Bank	Working Capital line with maximum credit of $1,200,000 recallable on demand as per the DBS Bank's letter of offer dated 17 December 2007	1,023,149	HMG	Working capital
DBS Bank	Extra long-term guarantee facility line of $7,000 recallable on demand as per the DBS Bank's letter of offer dated 17 December 2007	6,825(1)	HMG	For issuance of banker's guarantees in favour of entities acceptable to DBS Bank and not to be used to procure facilities from other financial institutions
Standard Chartered Bank	3-year Business Instalment Loan of up to $100,000 repayable in 36 monthly instalments with first instalments due 21 April 2006	34,694	BCNG	Working capital
ABN AMRO	Non-credit Substitution Guarantees of up to $1,797,619 expiring on 31 December 2008	1,797,619(1)	Unimedic	Issuance of guarantees pursuant to certain Acquired Entities
Total		**4,209,792**		

Note:

(1) These are contingent liabilities as at the Latest Practicable Date, the details of which are set out in the section entitled "Capitalisation and Indebtedness" of this Offer Document.

On 28 May 2008, our Group secured additional banking facilities from various financial institutions as follows:

Financial Institutions	Nature of facility	Outstanding amounts as at the date of lodgement of this Offer Document ($)	Borrower	Purpose of Facility
RHB Bank Berhad	Revolving credit facility of up to $20.00 million with the duration of each drawing being 1, 2, 3 or 6 months from drawdown date	Nil(1)	HMS	To finance the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T
DBS Bank	4-year Term Loan of up to $45.00 million repayable in 16 quarterly instalments commencing from 3 months from first drawdown date	Nil(1)	Unimedic	To finance the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T

Financial Institutions	Nature of facility	Outstanding amounts as at the date of lodgement of this Offer Document ($)	Borrower	Purpose of Facility
Citibank	Short Term Loan of up to $22.50 million repayable on demand, for a duration of up to 3 months	Nil[(1)]	HMS	For repayment of the amount due to UH
Total		**Nil**		

Note:

(1) As at the date of lodgement of this Offer Document, our Group has not yet utilised these banking facilities.

As at the Latest Practicable Date, our Group's hire purchase facility is as follows:

Financial Institutions	Purpose of facility	Outstanding amounts as at the Latest Practicable Date ($)	Borrower
Hong Leong Finance	Equipment purchase	314,575	BCNG

As at the Latest Practicable Date, we had utilised approximately $4.21 million of our banking facilities, which comprised mainly bank overdraft facilities and term loan facilities. The bank overdrafts are subject to floating interest rates of 6.25% to 6.75% per annum. The terms loans are repayable monthly or quarterly over a period of two to five years at floating interest rates ranging from 3.00% to 12.00% per annum.

As at the Latest Practicable Date, save for our loan facility with Standard Chartered Bank, all our Group's credit facilities are secured and/or guaranteed by one or more of the following:

(i) Personal guarantees by our Directors;

(ii) Letter of charge and set-off in respect of fixed deposits with the relevant banks;

(iii) Personal guarantees of certain doctor employees of our Group; and/or

(iv) Corporate guarantees of UH.

As at the Latest Practicable Date, our Group had provided the following securities:

(i) A Security Deed dated 12 April 2006 was entered into between HME and DBS Bank (in respect of an all monies charge over all assets (No. C200602499) registered on 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit and/or other facilities from time to time made or to be made available by DBS Bank to UH.

(ii) A Security Deed dated 5 January 2007 was entered into between HME and DBS Bank on 8 January 2007 (in respect of an all monies charge over all assets (No. C200700792) registered on 26 January 2007 in favour of DBS Bank). This was provided in return for all banking, loan, credit and/or other facilities from time to time made or to be made available by DBS Bank to HMG.

(iii) A Security Deed dated 12 April 2006 was entered into between HMG and DBS Bank (in respect of an all monies charge over all assets (No. C200602485) registered on 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit and/or other facilities from time to time made or to be made available by DBS Bank to UH.

(iv) A Security Deed dated 23 August 2006 was entered into between HMG and DBS Bank (in respect of an all monies charge over all assets (No. C200605762) registered on 28 August 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit, factoring and/or other facilities from time to time made or to be made available by DBS Bank to HMG.

(v) A Security Deed dated 12 April 2006 was entered into between Vista and DBS Bank (in respect of an all monies charge over all assets (No. C200602491) registered on 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit, factoring and/or other facilities from time to time made or to be made available by DBS Bank to UH.

(vi) A Security Deed dated 5 January 2007 was entered into between Vista and DBS Bank on 8 January 2007 (in respect of an all monies charge over all assets (No. C200700785) registered on 26 January 2007 in favour of DBS Bank). This was provided in return for all banking, loan, credit, factoring and/or other facilities from time to time made or to be made available by DBS Bank to HMG.

(vii) 500,000 shares in HME, 265,005 shares in HMG and 2 shares in Vista were mortgaged by UH to DBS Bank in return for term loan facilities comprising a 4-year term loan of $5.00 million and a 6-month short-term loan of $1.00 million extended to UH by DBS Bank as per DBS Bank's letter of offer dated 12 January 2006, whereby the 4-year term loan is repayable in full within four years from the drawdown date.

We have obtained a release and discharge of the security deeds set out in (i), (iii) and (v) above and of the mortage of securities set out in (vii) above as at the date of this Offer Document.

In addition, our Group's banking facility with Citibank comprising a short term loan of up to $22.50 million, is secured by a charge on cash deposits of not less than the full amount disbursed maintained with Citibank by UH pursuant to a guarantee, charge on cash deposits and letter of set-off provided by UH to Citibank.

Commitments

As at 31 December 2007 and the Latest Practicable Date, our Proforma Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

($'000)	**31 December 2007**	**Latest Practicable Date**
Within 1 year	5,267	5,284
After 1 year but within 5 years	3,256	2,835

As at 31 December 2007 and the Latest Practicable Date, our Proforma Group has sublet several of its leased premises. Non-cancellable operating lease rentals are receivable as follows:

($'000)	**31 December 2007**	**Latest Practicable Date**
Within 1 year	224	121
After 1 year but within 5 years	160	61

Pursuant to the conditional sale and purchase agreements to acquire IOC, IOCH, SBCC Clinic and SBCC S&T for a total purchase consideration of $107.90 million, our Group has a capital commitment of $105.90 million as at 31 December 2007. As at 31 December 2007, our Group has paid non-refundable advances of an aggregate $2.00 million in respect of the acquisitions of IOC, IOCH, SBCC Clinic and SBCC S&T.

Contractual Commitments

Our future aggregate cash payment obligations projected under our current contractual commitments as at the Latest Practicable Date are as follows:

			Payments Due		
($'000)	**Total**	**FY2008[1]**	**FY2009**	**FY2010**	**FY2011**
Borrowings	45,963	4,676	14,949	14,312	12,026
Operating lease commitments	8,220	3,401	3,568	1,165	86
Acquisition commitments:					
Amounts due to vendors of IOC, IOCH, SBCC Clinic and SBCC S&T	65,420	65,420	–	–	–
Amounts due to vendors of the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T)	11,740	11,740	–	–	–
Total	**131,343**	**85,237[2], [3]**	**18,517[4]**	**15,477[4]**	**12,112[4]**

Notes:

(1) Reflect payments due from the Latest Practicable Date to 31 December 2008.

(2) Sources of funds used to fulfill the cash payment obligations projected under our current contractual commitments due in FY2008 include the following:

(i) 4-year term loan facility from DBS Bank of up to $45.00 million;

(ii) revolving credit facility from RHB Bank Berhad of up to $20.00 million;

(iii) net proceeds from the Invitation to be used for working capital of $1.82 million;

(iv) net proceeds from the Invitation to be used to repay the balance of the cost of acquisition of the Acquired Entities and to expand our clinic network of $7.00 million;

(v) our working capital arising from day-to-day operations in the ordinary course of business; and

(vi) our cash and bank balances of $12.35 million as at the Latest Practicable Date, if required.

Further details of our banking facilities can be found in the section entitled "Capitalisation and Indebtedness" of this Offer Document.

(3) Revolving credit facility from RHB Bank Berhad of up to $20 million is assumed to be repaid by the end of FY2008 from the net proceeds from the Invitation to be used to repay bank loans and/or secure additional banking facilities of $20.00 million.

(4) Our working capital arising from day-to-day operations in the ordinary course of business will be used to fulfill the cash payment obligations projected under our current contractual commitments due in the financial periods subsequent to 31 December 2008.

Contingent Liabilities

Since 2006, HMG has obtained several long term guarantees for its lease agreements and service contracts. HMG also has an extra long term guarantee of $6,825.50 in which the beneficiary is Novena Point Pte Ltd and the period of the guarantee is from 21 January 2007 to 26 April 2010.

Details of the long term guarantees currently obtained by HMG are as follows:

Financial Institution	Amount ($)	Beneficiary	Period
DBS Bank	9,109.80	HDB	07/11/06 to 31/07/09
DBS Bank	25,000.00	Liberty Insurance Pte Ltd	29/11/06 to 28/05/08
DBS Bank	16,247.70	HDB	16/04/07 to 15/04/10
DBS Bank	6,825.50	Novena Point Pte Ltd	24/01/07 to 26/04/10
DBS Bank	10,000.00	CPF Board	28/11/07 to 31/12/10

Unimedic has also obtained the following long term guarantee:

Financial Institution	Amount ($)	Beneficiary	Period
ABN AMRO	1,797,619	Yee Jenn Jet Michael, Baskaran Surendran, Chong Yan Gerald Mark	01/02/08 to 31/12/08

Save as disclosed above and in Appendix A and Appendix B of this Offer Document, our Group has no other contingent liabilities.

HISTORY

History of HMG, HME and Vista

HMG has its origins in a clinic which was first started by Dr Wong Weng Hong with two other physicians as a partnership in 1990 under the service name of "Healthway". With the expansion of the partnership to a network of eight clinics, HMG was subsequently incorporated by the then-partners in 1994 as the holding company of the various clinics owned by the partnership. Dr Wong Weng Hong served as the Medical Director of HMG from 1994 and was responsible for the daily clinical operations, the recruitment and training of doctors and clinical staff, as well as the expansion of the business of HMG.

In 1998, Vista Healthcare, a healthcare investment company owned by Chase Capital Partners Asia Pte. Ltd., PremierHealth Investments Pte. Ltd. and a group of third party healthcare management professionals, acquired 40% of HMG which had expanded its network of clinics to 15 by 1997. Vista Healthcare had a wholly-owned subsidiary, namely, Vista Healthcare Singapore Pte. Ltd., which operated a healthcare benefits management business under the service name of "Vista Healthcare Plan".

In 2000, Vista Healthcare acquired a further 20% interest in HMG, bringing its stake to 60% and Dr Wong Weng Hong remained as Medical Director of HMG after the acquisition by Vista Healthcare. HME was also incorporated in 2000 as a wholly-owned subsidiary of Vista Healthcare.

In 2001, BUPA, a major healthcare insurance company in the UK acquired 100% of Vista Healthcare and shortly thereafter, Vista Healthcare in turn acquired the remaining 40% of HMG. In 2002, HME acquired a family medicine practice group of four clinics under the service name of "Singapore Family Clinic and Surgery". BUPA had planned to use the acquisition of HMG as a platform to enter the primary healthcare provision and insurance business in Asia. At the time of the acquisition, HMG had a network of 31 clinics. Following the acquisition, Vista Healthcare was renamed BUPA Healthcare Asia and Vista Healthcare Singapore Pte Ltd was renamed BUPA Healthcare Singapore Pte Ltd. Dr Wong Weng Hong was appointed as CEO of HMG and HME in 2003.

The formation of our Group

Our Group was formed in February 2006 when Dr Wong Weng Hong together with Fan Kow Hin, Dr Jong Hee Sen, Aathar Ah Kong Andrew and a group of investors, through their investment holding company, UH, acquired HMG, HME and BUPA Healthcare Singapore Pte Ltd (subsequently renamed Vista) from BUPA Healthcare Asia (the "Management Buy-out"). The management of UH saw potential in the healthcare sector in Singapore and envisioned the creation of a private outpatient medical service provider offering quality family, dental and specialist healthcare services under a portfolio of medical practice groups. The Management Buy-out was undertaken to facilitate the development of the business of HMG, HME and Vista. The Management Buy-out was financed by credit facilities provided by DBS Bank. With HMG, HME and Vista, our Group was able to offer family healthcare services through the "Healthway" and "Singapore Family Clinic" medical practice groups as well as healthcare benefits management business under the Vista Healthcare Plan.

Following the Management Buy-out, the management of UH comprised Dr Wong Weng Hong, who is familiar with the medical industry in Singapore, and Fan Kow Hin and Dr Jong Hee Sen, who have considerable experience in the area of business development. They implemented several initiatives including effective deployment of shared resources, improving IT deployment, strengthening middle-management capability and corporate governance, and placing greater emphasis on marketing and business development. Dr Wong Weng Hong was appointed as Managing Director of UH and remained as the CEO of HMG, HME and Vista. In order to accommodate UH's strategy to expand and diversify the operations of our Group, two new companies, namely Unimedic and China Healthway, were established in January 2006 and March 2007 respectively. By the end of 2006, the management of UH had expanded the network of our Group to 38 clinics.

In May 2007, as part of the Restructuring Exercise, HME was reorganised as the wholly-owned subsidiary of HMG and our Company was incorporated by UH to hold HMG, Vista, China Healthway and Unimedic. During the same period, HMG and HME acquired the remaining partnership interest of Healthway Tampines Clinic, Healthway Sunshine Clinic and Healthway Woodlands Clinic from their respective partners to consolidate its family healthcare business.

In May and June 2007, Unimedic, a wholly-owned subsidiary of HMS, acquired the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T), namely the "Silver Cross" and "Peace" groups of family medicine clinics, the "Aaron" and "Universal" groups of dental clinics, "Paediatric Centre", and the "BCNG Laser and Medical Aesthetics" group of specialist clinics, for $72.32 million. In May 2007, Unimedic entered into agreements to acquire IOC, IOCH, SBCC Clinic and SBCC S&T for $107.90 million. These acquisitions were intended to further strengthen our Group's competency in primary healthcare services and diversify its operation into the specialist and wellness healthcare sector. The portfolio of medical practice groups acquired by Unimedic provided our Group a platform to offer well-targeted and dedicated healthcare services in Singapore. Details of the acquisition of the Acquired Entities are set out in the section entitled "Restructuring Exercise" of this Offer Document.

In March 2007, China Healthway was incorporated as a vehicle for our Group's expansion into the PRC. Subsequently, our Group ventured into the PRC by way of a co-operation agreement entered into between Shanghai Kanglian Hospital Co. Ltd ("Shanghai Kanglian") and China Healthway. Pursuant to the co-operation agreement, China Healthway provides consultancy services to Shanghai Kanglian by assisting Shanghai Kanglian with the recruitment, orientation and training of physicians to enable their effective deployment at Shanghai Kanglian's outpatient clinic.

Under the management of UH, our Group has broadened and expanded its business operations through organic growth and acquisitions. Since 2006, our Group has grown from fewer than 35 family medicine clinics to more than 80 family medicine, dental and specialist clinics in Singapore, as at the Latest Practicable Date.

In June 2007, UH entered into a conditional sale and purchase agreement with Vantage Corporation Limited ("Vantage"), pursuant to which Vantage would acquire the entire issued and paid-up capital of HMS from UH, in consideration for approximately $455 million to be satisfied by the issue and allotment of shares in the capital of Vantage, credited as fully paid-up. This transaction constituted a reverse take-over by UH of Vantage and an application was made to the SGX-ST for approval of this reverse take-over in November 2007. In December 2007, the application was not able to be approved by the SGX-ST on the basis that the proforma enlarged group of both Vantage and HMS (and their relevant subsidiaries and associated companies) failed to satisfy the requirements of Rule 1015 of the Listing Manual. Vantage was a public company listed on the Main Board of the SGX-ST.

In January 2008, UH entered in a conditional sale and purchase agreement with SNF Corporation Ltd. ("SNF") pursuant to which SNF would acquire the entire issued and paid-up capital of HMS from UH, in consideration for approximately $525 million to be satisfied by the issue and allotment of shares in the capital of SNF. This transaction constituted a reverse take-over by UH of SNF. In February 2008, the agreement with SNF was mutually terminated due to uncertainties regarding the fulfilment of certain conditions precedent as set out in the agreement. SNF is a public company listed on the Catalist of the SGX-ST.

Significant milestones in the growth and development of our Group

The key milestones in the growth and development of our Group are highlighted chronologically below:

1990 • First family medicine clinic was opened under the name of "Healthway" by Dr Wong Weng Hong and a few physicians

1994 • HMG was incorporated as a holding company for the "Healthway" chain of clinics

1997 • HMG expanded its network to 15 clinics

1998	•	Vista was incorporated to operate healthcare benefits management business
2000	•	HME was incorporated
2002	•	HME acquired four clinics under the service name of "Singapore Family Clinic and Surgery"
	•	HMG and HME expanded its network to 31 clinics
2003	•	Dr Wong Weng Hong was appointed CEO of HMG and HME
2006	•	UH acquired HMG, HME and BUPA Healthcare Singapore Pte Ltd from BUPA Healthcare Asia to form our Group
	•	Our Group expanded its network to 38 clinics
2007	•	China Healthway was incorporated as a vehicle to expand into the PRC
	•	HME was reorganised as a wholly-owned subsidiary of HMG
	•	Our Company was incorporated by UH as the holding company for HMG, Vista, China Healthway and Unimedic
	•	Unimedic acquired the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) for $72.32 million to expand its Primary Healthcare business and diversify into the Specialist & Wellness Healthcare sector
	•	HME and HMG acquired the remaining partnership interest of Healthway Tampines Clinic, Healthway Sunshine Clinic and Healthway Woodlands Clinic from their respective partners
	•	China Healthway entered into a co-operation agreement to provide consultancy services to Shanghai Kanglian
2008	•	Unimedic completed the acquisitions of IOC, IOCH, SBCC Clinic and SBCC S&T for $107.90 million to expand its business in the Specialist & Wellness Healthcare sector
	•	Our Group expanded its network to over 80 family medicine and specialist clinics

BUSINESS OVERVIEW

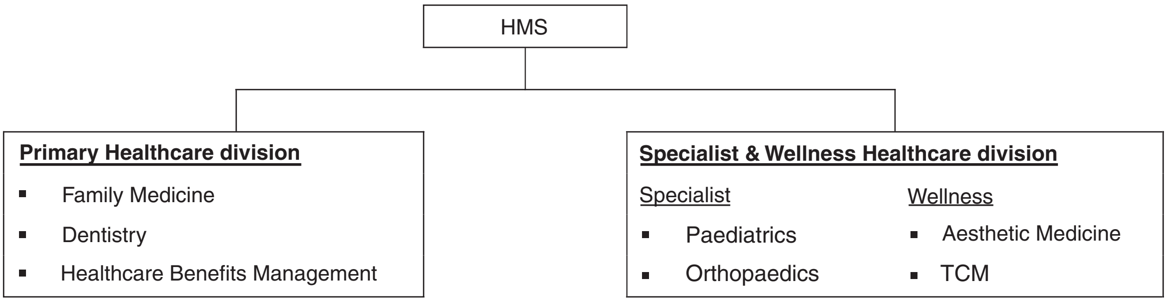
Principal activities

Our Group is one of the largest private outpatient medical service providers in Singapore, offering quality healthcare services across the medical value chain in family medicine, specialists care, dental and oral care and medical aesthetics. We operate 11 medical practice groups comprising more than 80 clinics. Each medical practice group has an established brand presence and has its own medical specialisation, market positioning and service proposition. By operating collectively as a group, we are able to leverage on shared resources (such as centralised procurement, administration, marketing, information technology and cash management) and the value of each medical practice group to develop and enhance its service offering.

Our Group's business may be principally categorised as follows:

(a) Primary Healthcare, comprising family medicine, dentistry and healthcare benefits management; and

(b) Specialist & Wellness Healthcare, comprising paediatrics, orthopaedics (in particular, orthopaedic surgery and sports medicine), aesthetic medicine and TCM.



As at the Latest Practicable Date, we have 132 physicians operating within our Group, of which 97 physicians are under our Primary Healthcare division and 35 physicians are under our Specialist & Wellness Healthcare division. We have entered into employment contracts with all of our physicians and specialists. The majority of them are employed on employment terms with termination notice periods ranging from one to three months, while the rest of the contracts have terms ranging from one to three years.

Primary Healthcare

Our Primary Healthcare division, on a proforma basis, accounted for approximately 53.54% of the overall revenue of our Group in FY2007 and comprises the following medical practice groups:

Family Medicine

Our family medicine medical practice group has an island-wide network of family medicine clinics at convenient locations such as the central business district, housing estates and shopping centres in Singapore. We also operate several in-house clinics within the premises of some of our corporate clients and some Singapore government offices.

The services provided by our family medicine clinics include general medical consultations, management of chronic conditions such as diabetes, hypertension and asthma, and minor surgical procedures. We also provide vaccinations for all ages, travel and occupational requirements. Our family medicine clinics also provide health screening, vocational check-ups to meet statutory requirements, preventive care and health education. The health assessment centres are supported by comprehensive health screening facilities.

As at the Latest Practicable Date, our family medicine medical practice group has an aggregate of 47 clinics (excluding the in-house clinics we operate on the premises of our corporate clients) providing family medicine medical services under the following medical practice groups:

Medical practice group	Location	Clinic / Centre Name
Healthway	Alexandra	Healthway Alexandra Point Medical Centre
	Ang Mo Kio	Healthway AMK Clinic
	Bedok South	Healthway Bedok South Clinic
	Bukit Panjang	Healthway Medical Group
	Bukit Timah	Healthway Bukit Timah Clinic
	Cairnhill	Healthway Cairnhill Clinic
	Choa Chu Kang	Healthway Choa Chu Kang Clinic
	Choa Chu Kang Ave 3	Healthway Sunshine Family Clinic
	Choa Chu Kang St 51	Healthway Clinic & Surgery
	Clementi	Healthway West Coast Clinic
	Compassvale	Healthway Compassvale Clinic
	Hougang Point	Healthway Hougang Point Clinic
	Hougang Mall	Healthway Hougang Central Clinic

Medical practice group	Location	Clinic / Centre Name
	Jalan Membina	Healthway Tiong Bahru Clinic
	Jurong Tuas	Healthway Tuas Medical Clinic
	Jurong West	Healthway Jurong West Clinic
	Kaki Bukit	Healthway Kaki Bukit Clinic
	Kembangan	Healthway Medical Clinic
	Novena	Healthway Medical Centre
	Paragon	Healthway Medical Assessment Centre
	Pasir Ris	Healthway Eastern Clinic
	Punggol	Healthway Punggol Clinic
	Sembawang	Healthway Medical Group
	Sengkang	Healthway Sengkang Clinic
	Tampines Central	Healthway Tampines Central Clinic
	Tampines St 71	Healthway Tampines Clinic
	Teck Whye	Healthway Teck Whye Clinic
	Toa Payoh	Healthway Toa Payoh Clinic
	Woodlands	Healthway Woodlands Family Clinic
	Yishun	Healthway Medical Centre
	Yishun Central	Healthway Yishun Clinic
	Ang Mo Kio	My Family Doctor
	Shenton Way	Healthway Medical Centre (Shenton Way)
	Toa Payoh	Picton Medical Centre
Singapore Family Clinic	Admiralty	Singapore Family Clinic & Surgery
	Bedok	Bedok Family Clinic & Surgery
	Bukit Batok	Singapore Family Clinic & Surgery
	Lor Ah Soo	Singapore Family Clinic & Surgery (Hougang)
Silver Cross	Holland	Silver Cross Family Clinics
	Jurong West	Silver Cross Family Clinics
	Marsiling	Silver Cross Family Clinics
	Serangoon Central	Silver Cross Family Clinics
	Upper Bukit Timah	Silver Cross Family Clinics
	Yishun	Silver Cross Family Clinics
Peace	Anchorvale	Healthway Anchorvale Clinic
	Ang Mo Kio	Peace Family Clinic & Surgery
	Sembawang	Peace Family Clinic & Surgery

We also provide medical services at in-house clinics for several corporate clients and the public sector, typically on the basis of yearly contracts at pre-agreed prices.

The “Healthway” service name is an established name of more than 15 years in the healthcare industry of Singapore and is one of the largest family medical groups in Singapore with easily accessible clinics located island-wide. The Healthway group of clinics has a patient-oriented focus and a philosophy of providing personal, caring and consistent medical services.

The “Singapore Family Clinic” service name has a track record of more than 10 years. Singapore Family Clinics operate with extended hours and are strategically located in mature housing estates and prominent areas with high human traffic.

The “Silver Cross” group of clinics has a track record of more than eight years and is particularly well-known in premier residential areas like Bukit Timah and Holland Village. It is positioned as a provider of quality and personalised healthcare services, offering “quality healthcare for all Singaporeans, 365 days a year”, with a particular focus on middle and upper-middle income clientele. Silver Cross clinics operate with extended hours and are strategically located in prominent areas with high human traffic. The Silver Cross group of clinics was acquired by our Group in May 2007.

The "Peace" service name has a track record of more than six years and its clinics focus on providing cost competitive services through high volume practices. The Peace group of clinics aim to position itself as "the family doctor for everyone". The Peace group of clinics was acquired by our Group in May 2007.

Dentistry

Our dentistry medical practice group provides dentistry services at convenient locations such as the central business district and housing estates. The services provided by our dental practices cover the whole spectrum from general dentistry procedures to aesthetics-related work such as endodontics, orthodontics, periodontics, prosthodontics, tooth implantations and wisdom tooth surgery.

Our dentistry medical practice group provides dentistry services under the following service names:

Medical practice group	**Location**	**Clinic / Centre Name**
Aaron	Holland Drive	Aaron Seow Dental Surgery
	Holland Village	Aaron Dentalcare@Holland V.
	Robinson Road	Aaron CTP Dental Surgery
	Robinson Road	Aaron Dentalcare
Universal	Braddell	Universal Dental
	Choa Chu Kang	Popular Dental
	Toa Payoh	Universal Dental
	Woodlands	Universal Dental
	Woodlands	Popular Dental

The "Aaron" dental group has a track record of more than 15 years and targets the working population and expatriates as its customers, with dental clinics in the central business district and housing estates. It strives to provide excellent dental care and personalised treatment plans based on individual needs as well as a wide range of aesthetic dentistry. The Aaron dental group of clinics was acquired by our Group in April 2007.

The "Universal" group of dental clinics has a track record of more than 23 years and is positioned to provide a spectrum of dental services at affordable and competitive prices. It targets the general population with dental clinics located in HDB housing estates. The Universal group of clinics was acquired by our Group in May 2007.

Healthcare Benefits Management

Vista operates and manages healthcare plans and third party health benefits plans of our corporate clients and insurance companies under the service name of Vista Healthcare Plan. Medical services under such healthcare plans and health benefits plans are provided by a panel of clinics comprising our wholly-owned clinics and over 400 affiliated family medicine and specialist clinics.

Specialist & Wellness Healthcare

Our Specialist & Wellness Healthcare division, on a proforma basis, accounted for approximately 46.46% of the overall revenue of our Group in FY2007 and comprises our specialist medical practice groups for paediatrics and orthopaedics and our wellness medical practice groups for aesthetic medicine and TCM as follows:

Paediatrics

Our paediatrics medical practice group is one of the largest in Singapore and provides paediatric services in housing estates and all major private hospitals. Our paediatric medical services are provided under the following service names:

Medical practice group	Location	Clinic / Centre Name
Paediatric Centre	Bishan	Paediatric Centre (Bishan)
	Hougang	Paediatric Centre (Hougang)
	Mount Alvernia Medical Centre	Paediatric Centre (Mount Alvernia)
	Sengkang	Paediatric Centre (Rivervale)
	Thomson Medical Centre	Paediatric Centre
	Tiong Bahru	Paediatric Centre (Tiong Bahru)
Singapore Baby & Child Clinic	Ang Mo Kio	Singapore Baby & Child Clinic
	Gleneagles Medical Centre	Singapore Baby & Child Clinic
	Mount Alvernia Medical Centre	Singapore Baby & Child Clinic
	Mount Elizabeth Medical Centre	Singapore Baby & Child Clinic
	Thomson Medical Centre	Singapore Baby & Child Clinic

The "Paediatric Centre" group of clinics was originally based in Thomson Medical Centre as a partnership in 1983, and established itself as the dominant paediatric practice in Thomson Medical Centre. It provides general paediatric services with a specialised focus on neonatology and paediatric wellness and developmental services. The "Paediatric Centre" group of clinics was acquired by our Group in June 2007.

The service name of "Singapore Baby & Child Clinic" was established more than 25 years ago and its clinics provide general ambulatory paediatric services for routine paediatric ailments as well as sub-speciality paediatric services such as paediatric cardiology and neonatology. The completion of the acquisition of the "Singapore Baby & Child Clinic" group of clinics by our Group took place after the Exposure Period but prior to the Registration on 18 June 2008.

Orthopaedics

Our orthopaedics services are provided by the "Island Orthopaedic" group of clinics, which was acquired by our Group after the Exposure Period but prior to Registration on 18 June 2008. The "Island Orthopaedic" group of clinics was established in 1995 and has a strong market reputation in the private orthopaedic and sports medicine fields. It focuses on providing quality specialist orthopaedic and trauma care as well as a comprehensive range of orthopaedic sub-speciality services such as spinal surgery, sports reconstructive surgery, adult reconstructive surgery and trauma surgery. These services are provided at the following locations:

Medical practice group	Location	Clinic / Centre Name
Island Orthopaedic	Gleneagles Hospital Annex	Sportsmed Centre
	Gleneagles Medical Centre	Island Sports Medicine and Surgery
	Gleneagles Medical Centre	Island Orthopaedics Consultants
	Mount Alvernia Medical Centre	Island Orthopaedics Consultants
	Mount Elizabeth Medical Centre	Island Orthopaedics Consultants
	Mount Elizabeth Medical Centre	Island Spine and Scoliosis

Aesthetic Medicine

Our aesthetic medicine medical practice group provides aesthetic and wellness solutions with a concentration on minor procedures and laser treatments. Apart from aesthetic treatment, there is also a focus on facial features, the skin and well-being issues such as hair loss, aging issues and weight problems. Our aesthetic medicine medical practice group believes in providing safe and well-tested treatment procedures. These services are provided under the following service names:

Medical practice group	Location	Clinic / Centre Name
BCNG Laser and Medical Aesthetics	Chinatown Point	BCNG Laser and Medical Aesthetics
Neuglow	Novena Raffles Place	Neuglow The Aesthetic Doctors Neuglow The Aesthetic Doctors

The "BCNG Laser and Medical Aesthetics" group of clinics was established in 1995 and has a proven track record in the field of aesthetic medicine. It focuses on providing medical aesthetic treatment and wellness solutions to enhance the appearance of its patients. The BCNG Laser and Medical Aesthetics group of clinics was acquired by our Group in May 2007.

Traditional Chinese Medicine

TCM is increasingly being recognised as a mainstream medical service and it is growing in demand amongst Singaporeans. In view of the increasing acceptance and demand for TCM, our Group opened a TCM clinic in Braddell in December 2007 and another in Toa Payoh Hub in February 2008 with a staff of well-trained TCM physicians from Singapore and PRC. Our TCM medical services are provided under the "Healthway TCM" group of medical and physiotherapy centres:

Medical practice group	Location	Clinic / Centre Name
Healthway TCM	Braddell Toa Payoh Hub	Healthway TCM Medical Centre (Braddell) Healthway TCM Aesthetics & Slimming (Toa Payoh Hub)

With proper training and regulation of TCM physicians in Singapore and the proven effectiveness of several TCM therapies, we are in the process of developing effective TCM offerings for our markets, with a focus on sports injury treatment and wellness management.

CENTRALISED ADMINISTRATIVE PLATFORM

Following the Restructuring Exercise, in order to align the interests of and integrate the Acquired Entities into our Group as well as to ensure management continuity of the medical practices in our Group, our business operations are carried out by the respective speciality medical practice groups where we can work in teams to offer a full range of specialised services to our patients at the highest standards. Administratively, we have a central administrative structure and facilities to support the doctors in managing and growing their respective speciality medical practice groups through:

(a) centralised procurement, details of which can be found in the section entitled "General Information on our Group – Inventory Management" of this Offer Document;

(b) cash management, details of which can be found in the section entitled "General Information on our Group – Credit Policy" of this Offer Document;

(c) collective professional training and clinical governance, details of which can be found in the section entitled "General Information on our Group – Quality Assurance" of this Offer Document;

(d) the establishment of a consistent and integrated corporate branding for our Group where the “Healthway” brand name will be made the central focus of our Group’s underlying brand structure to which the various medical practice groups will be linked;

(e) marketing, details of which can be found in the section entitled “General Information on our Group – Marketing” of this Offer Document; and

(f) consolidated information technology to provide better service through more efficient handling of patient data, a more efficient billing process and to streamline our inventory management.

We believe in the value of having a centralised administrative platform in order to operate collectively as a group. Each of our speciality medical practices is then able to leverage on shared resources (such as centralised procurement, administration, marketing, information technology and cash management) and our doctors are able to focus on the practice of good medicine.

MANAGEMENT CONTINUITY

By structuring our operations as an integrated network of speciality medical practices, our doctors are able to share experiences and knowledge with each other while building up greater expertise in their respective medical practices. The integrated network of speciality medical practices of our Group creates a highly visible platform and is a key value proposition which we believe allows us to attract new management talent as well as doctors and specialists with a similar long term perspective to join our Group. Moreover, the costs of setting up medical practices can be relatively high and may be comparatively more risky for individual doctors. Our corporate platform allows these doctors to be part of an established and reputable medical group and enjoy an assured patient flow.

There is a sustained effort to recruit highly qualified and suitable doctors and specialists to join our Group. We constantly seek these doctors and specialists mainly through referrals from our networks in the medical industry and recruitment advertisements in medical publications. Doctors who are new to our Group are required to undergo in-house orientation to familiarise themselves with our corporate vision, service quality standards, policies and procedures. Senior doctors in our Group are also required to mentor these new doctors on a one-on-one basis as part of our Group’s renewal process.

In both the management and the medical practice groups, we have put in place two echelons of leadership comprising of team-spirited doctor managers and doctors. The management of the Group and the doctors of the Acquired Entities share the same viewthat the renewal process will help ensure management continuity and clinical leadership, facilitating the building of legacies of excellent care through our medical practices.

MARKETING

Our marketing activities are carried out within the ambit of applicable guidelines issued by MOH and the relevant laws and regulations in Singapore.

We build our reputation on providing value-based quality care in all our medical services, and our marketing strategy is centred on bringing that message to our patients. This strategy is implemented through the following:

Corporate Website

Our corporate website highlights the range of services we offer, the level of professional quality care provided by our doctors, the convenience of our island-wide locations and our corporate and health programs. Our patients can also find the latest health news, alerts and tips on our website.

Corporate Marketing Team

We have a dedicated corporate marketing team comprising 10 sales and account services executives. Our corporate marketing team is constantly engaging current and new corporate clients to understand their needs and requirements. Our corporate clients are presented with highly competitive corporate packages that are tailored to the needs of their employees. Our corporate marketing team also organises talks and exhibitions to increase awareness on healthcare issues and to promote our doctors, products and services.

Health Conference and Publications

Our doctors regularly attend health conferences in Singapore and overseas. These events provide opportunities for our doctors, either as guest speakers or participants, to network with other doctors and the public to increase our presence in the medical industry. Many of our doctors have also contributed articles in various newspapers, magazines and medical journals, which also increase awareness of our Group in the public as well as the medical fraternity.

Media and Advertising

Brochure and pamphlets which are updated with our latest service offerings and other information are distributed in our clinics, health talks and corporate events. Special promotion events in aesthetics and TCM services are often promoted through printed media to broaden our reach to potential clients.

QUALITY ASSURANCE

Service Quality

We are committed to delivering high quality medical services to our patients. Our employees are therefore a very important resource and play a critical role in contributing to the success of our business. We believe in placing continuous emphasis on providing caring and quality healthcare services.

Our clinic assistants are trained and assessed on standard operating protocols on various procedures at the clinics. Monthly group-wide staff meetings are held to familiarise and train our medical staff on these standard operating protocols and other new programmes. Our human resources and operations department and regional clinic coordinators are in charge of carrying out the training and audit process.

Internal Training Policies

Our employees are required to undergo in-house orientation to familiarise them with our corporate vision, service quality standards, policies and procedures. On-the-job training is provided to new employees to equip them with the necessary working knowledge and practical skills to perform their tasks. In addition, our employees are encouraged to attend both internal and external workshops and seminars to acquire new skills to improve their job competency. Our human resources and operations department is in charge of coordinating our internal training and service audit programmes.

External Training Policies in Singapore

Medical practitioners in Singapore are required by the SMC under the Continuing Medical Education Programme ("Singapore CME") to constantly upgrade their knowledge and skills in order to maintain their competency to practice. Under guidelines issued by the SMC, it is compulsory for a medical practitioner to accumulate a minimum of 50 credit points, with 20% of the points accredited for core knowledge, within two Singapore CME years to qualify for a Singapore CME certificate issued by the SMC. A Singapore CME year runs from January to December of each year. All our physicians in Singapore comply with the SMC requirements for continuing medical education.

Our dentists are regulated by the SDC and are encouraged to participate, on a voluntary basis, in the Continuing Professional Development programmes organised by the SDC.

As most of our in-house training was conducted on-the-job and the cost of external professional medical programmes was borne by the individual physicians, the amount incurred in relation to staff training over the past three financial years has not been significant.

Clinical Governance

As the specific requirements for each of the broad medical practice groups of family medicine, dental and specialist differ from each other, our Group has formed three clinical governance boards: (i) the Family Medicine Board; (ii) the Dental Board; and (iii) the Specialist Board, which are responsible for the clinical governance and standards of the respective medical practice groups. These boards are scheduled to meet quarterly with options to meet more frequently when needed. As and when issues arise that may affect the relevant medical practice group in terms of standards or new regulations, the board members may communicate and consult as required. In general, decisions are made by the board after deliberation and discussion, based on consensus or a vote if there is no consensus.

Our Managing Director, Medical Services, Dr Wong Weng Hong sits on all three boards and oversees the activities and needs of all three boards. As a member of all three boards, Dr Wong Weng Hong is able to oversee the minimum standards required for the respective medical practice groups and share the opinions and experience of the members of the three boards with one another.

Family Medicine Board

We have a Family Medicine Board which is primarily made up of senior physicians and a pharmacist who are highly qualified in their respective fields to oversee our Family Medicine medical practice group. Our Family Medicine Board comprises Dr Wong Weng Hong, Dr Vincent Chia Hong Chye, Dr Lim Chien Wei, Dr Raymond Yap Soon Boon, Dr Tan Say Lock and Ms Lim Sok Hoon. The Chairman of our Family Medicine Board will be Dr Wong Weng Hong. The responsibilities of the Family Medicine Board include providing clinical governance for our Group, improving and standardising clinical services by HMS physicians in the best interests of the patients and our Group, acting as the consultative body for investigating and reviewing adverse clinical events, conducting continuing medical education sessions and the introduction of new drugs or clinical services. The Family Medicine Board is also involved in the issuing of practice guidelines and medical advisories and conducting medical audits of our clinics. The Family Medicine Board is not involved in the daily operations and financial functions of our Group.

Dental Board

We have a Dental Board which is primarily made up of senior dental surgeons to oversee our Dentistry medical practice group. Our Dental Board comprises Dr Seow Onn Chong Aaron, Dr Joseph Seow Kok Siam and Dr Wong Weng Hong. Our Dental Board is jointly chaired by Dr Seow Onn Chong Aaron and Dr Joseph Seow Kok Siam. The responsibilities of the Dental Board include providing clinical governance for the Dentistry medical practice group of our Group, improving and standardising dentistry services, acting as the consultative body for investigating and reviewing adverse dentistry events, conducting continuing medical education sessions and the introduction of new drugs or dental services. The Dental Board is also involved in issuing practice guidelines and medical advisories and conducting medical audits of our clinics. The Dental Board is not involved in the daily operations and financial functions of our Group.

Specialist Board

We have a Specialist Board which is primarily made up of senior specialist physicians to oversee our Specialist & Wellness division. Our Specialist Board comprises Dr Ang Poon Liat, Dr Wong Weng Hong and Dr Ang Ai Tin. The Chairman of our Specialist Board will be Dr Ang Poon Liat. The responsibilities of the Specialist Board include providing clinical governance for the Specialist & Wellness division of our Group, improving and standardising specialist services, acting as the consultative body for investigating and reviewing adverse clinical events, conducting continuing medical education sessions and the introduction of new drugs or specialist services. The Specialist Board is also involved in the issuing of practice guidelines and medical advisories and conducting medical audits of our clinics. The Specialist Board is not involved in the daily operations and financial functions of our Group.

INSURANCE

We have effected the following insurance plans to cover our operational, human resource and fixed asset risks:

Operational Risks

(a) Medical Malpractice Liability in respect of any malpractice of our physicians and staff;

(b) Commercial Business, which includes additional expenditure, commercial all risks, consequential loss, rental expenses, business interruption, loss of money, public liability, workmen's compensation, plate glass, fidelity guarantee, personal accident and computer; and

(c) Public Liability in respect of damages arising from accidental bodily injury (including death or disease) to any person or accidental loss or of damage to property in connection with our business.

Human Resource Risks

(a) Group Hospital and Surgical for the medical needs of all our employees; and

(b) Workmen's Compensation for any mishap that may occur to any of our employees during the course of their work.

Fixed Assets Risks

(a) Damages to Property for our building, fixtures, fittings, stock, material, machinery and all other contents within our business premises that may be damaged or lost due to fire, lightning or burglary; and

(b) Machinery (all risks) for any unforeseen and sudden physical loss or damage from any cause other those specifically excluded in the master insurance policies for equipment under hire-purchase.

In addition to the above, all our physicians and other medical staff have personal professional medical indemnity insurance cover. The above insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage.

To the best of our Directors' knowledge, as at the Latest Practicable Date, there has been no disciplinary action or legal proceedings taken against us in relation to the provision of healthcare services.

PROPERTIES

The following properties are leased by our Group:

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
Aaron CTP	138 Robinson Road #07-10 The Corporate Office Singapore 068906	3 years from 1 February 2008	698	Dental clinic
Aaron Dentalcare	8A Lorong Mambong Singapore 277674	3 years from 1 September 2005	1,000	Commercial retail outlet
Aaron Seow	Blk 43 Holland Drive #01-49 Singapore 270043	2 years from 1 April 2007	1,560	Dental clinic
Aaron Seow	Blk 43 Holland Drive #01-51 Singapore 270043	3 years from 1 June 2008	1,560	Dental clinic
Aaron Seow	110 Robinson Road #01-00 and #02-00 Singapore 068901	3 years from 1 June 2007	1,858	Dental clinic
BCNG	1 Raffles Place #05-09 Singapore 048616	3 years from 1 January 2006	4,123	Beauty aesthetic and laser clinic
BCNG	133 New Bridge Road #04-16/19/20/21/22 Chinatown Point Singapore 059413	3 years from 1 January 2007	198 sq m	Shop offering skincare and beauty treatment
HME	Blk 218 Bedok North Street 1 #01-17 Singapore 460218	3 years from 1 September 2005	732	Medical clinic
HME[(1),(7)]	Blk 717 Woodlands Drive 70 #01-114 Singapore 730717	3 years from 1 May 2007	1,808	Medical and dental clinic
HME[(9)]	Blk 153 Bukit Batok Street 11 #01-284 Singapore 350153	3 years from 1 December 2006	1,098	Medical clinic
HME	Blk 475 Choa Chu Kang Avenue 3 #02-03 Singapore 680475	3 years from 1 March 2006	581	Medical and dental clinic
HME	Blk 108 Hougang Avenue 1 #01-1299 Singapore 530108	3 years from 1 September 2005	1,270	Medical clinic
HMG	2 Leng Kee Road #06-07 Thye Hong Centre Singapore 159086	2 years from 1 May 2008	2,271	Factory
HMG	70 Vernon Park Mount Vernon Camp Singapore 767827	3 years from 25 November 2006	1,050	Medical centre
HMG	438A Alexandra Road #B1-02 Alexandra Technopark Singapore 119967	3 years from 23 September 2007	82 sq m	Medical clinic

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
HMG	Blk 330 Ang Mo Kio Avenue 1 #01-1803 Singapore 560330	2 years from 1 June 2008	600	Medical clinic
HMG	Blk 721 Ang Mo Kio Avenue 8 #01-2801 Singapore 560721	3 years from 13 July 2006	700	Medical clinic
HMG	Blk 57 New Upper Changi Road #01-1346 Singapore 460057	3 years from 1 May 2006	1,100	Shop
HMG	Blk 445 Fajar Road #02-534 Fajar Shopping Centre Singapore 670445	3 years from 1 August 2006	968	Clinic
HMG	15 Cairnhill Road #04-03 Cairnhill Place Singapore 229650	2 years 3 months from 1 September 2006	1,221	Medical clinic
HMG	Blk 534 Choa Chu Kang Street 51 #01-37 Singapore 680534	3 years from 16 April 2007	999	Medical and dental clinic
HMG	Blk 727 Clementi West Street 2 #01-258 Singapore 120727	3 years from 1 February 2007	650	Medical clinic
HMG(2)	Blk 267 Compassvale Link #01-04 Singapore 540267	3 years from 1 August 2005	484	Medical and dental clinic
HMG	1 Hougang Street 91 #01-06 Hougang Point Singapore 538692	3 years from 1 November 2006	546	Medical clinic
HMG	90 Hougang Avenue 10 #04-03/04 Hougang Mall Singapore 538766	3 years from 29 May 2006	1,399	Medical clinic
HMG(8)	Blk 960 Jurong West Street 92 #01-166 Singapore 640960	2 years from 13 March 2007	1,300	Medical clinic
HMG(2)	Blk 690 Jurong West Central 1 #01-193 Singapore 640690	3 years from 1 February 2008	1,485	Medical clinic
HMG(2)	Blk 110 Lengkong Tiga #01-231 Singapore 410110	3 years from 1 March 2007	1,000	Medical and dental clinic
HMG(2)	238 Thomson Road #03-32A Novena Square Singapore 307683	2 years from 24 November 2006	860	Medical clinic
HMG	10 Sinaran Drive #04-41 to #04-44 Square 2 Singapore 307506	3 years from 1 April 2007	803	Medical clinic

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
HMG	Blk 625 Elias Road #01-322 Elias Mall Singapore 510625	3 years from 1 May 2007	1,055	Medical clinic
HMG	Blk 168 Punggol Field #02-07A Punggol Plaza Singapore 820168	3 years from 16 April 2006	456	Medical clinic
HMG(10)	30 Sembawang Drive #03-06 Sun Plaza Singapore 757713	3 years from 22 November 2005	1,514	Medical clinic
HMG(2)	Blk 118 Rivervale Drive #02-17 Singapore 540118	3 years from 1 August 2005	742	Medical clinic
HMG	6 Shenton Way #1210 DBS Building Tower Two Singapore 068809	3 years from 24 June 2006	171 sq m	Medical clinic
HMG	Blk 710 Tampines Street 71 #01-134 Singapore 520710	3 years from 1 November 2006	1,291	Medical clinic
HMG	Blk 888 Woodlands Drive 50 #02-737 888 Plaza Singapore 730888	3 years from 1 November 2007	999	Medical clinic
HMG	2 Leng Kee Road #02-04/04A Thye Hong Centre Singapore 159086	2 years from 21 October 2007	3,390	Corporate Office
HMG	Blk 417 Yishun Avenue 11 #01-321 Singapore 760417	3 years from 1 May 2007	791	Medical clinic
HMG	Blk 923 Yishun Central 1 #01-368 Singapore 760923	3 years 5 months from 1 March 2006	350	Medical and/or dental clinic
HMG	Blk 190 Lorong 6 Toa Payoh #03-512 Singapore 310190	3 years from 15 June 2006	1,500	Medical clinic
HMG	290 Orchard Road #08-06A Singapore 238859	2 years from 3 July 2006	1,210	Health Screening Centre
HMG(2)	31 Kaki Bukit Road 3 #01-05 Techlink Singapore 417818	3 years from 1 October 2006	62 sq m	Clinic
HMG	559 Bukit Timah Road #01-02 Kings Arcade Singapore 269695	3 years from 10 September 2007	900	Medical/dental clinic
HMG	10 Choa Chu Kang Ave 4, #01-40/41 Choa Chu Kang MRT Station, Singapore 689810	3 years from 29 July 2007	48 sq m	Medical clinic

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
HMG	Blk 503 Tampines Central 1 #01-311, Singapore 520503	3 years from 1 October 2007	85 sq m	Medical and dental clinic
HMG	Blk 26 Jalan Membina #01-05 Singapore 161026	3 years from 1 April 2008	550	Medical clinic
HMG	10 Sinaran Drive #10-06/07 Square 2, Novena Medical Centre, Singapore 307506	3 years from 1 May 2008	1,400	Medical and/or dental clinic
HMG	2 Leng Kee Road #06-02 Thye Hong Centre Singapore 159086	2 years from 15 June 2008	1,666	Office
IOC	820 Thomson Road #01-04 Mount Alvernia Medical Centre Blk A Mount Alvernia Hospital Singapore 574623	3 years from 1 July 2005	882	Medical clinic
IOC(3)	6 Napier Road #02-16 Gleneagles Medical Centre Singapore 258499	3 years from 1 January 2007	81 sq m	Medical clinic
IOC(4)	6 Napier Road #09-05 Gleneagles Medical Centre Singapore 258499	3 years from 1 January 2007	63 sq m	Medical clinic
IOC(4)	3 Mount Elizabeth #06-03 Mount Elizabeth Medical Centre Singapore 228510	3 years from 1 January 2007	77 sq m	Medical clinic
Peace Family (Anchorvale)	Blk 308 Anchorvale Road #01-03 Singapore 540308	2 years from 1 February 2008	700	Medical clinic
Picton	Blk 163 Toa Payoh Lorong 1 #01-1012 Singapore 310163	3 years from 1 June 2007	71 sq m	Medical clinic
Picton	Blk 163 Toa Payoh Lorong 1 #01-1014 Singapore 310163	3 years from 1 August 2007	71 sq m	Medical and dental clinic
Picton	Blk 163 Toa Payoh Lorong 1 #01-1016 Singapore 310163	3 years from 1 July 2005	142 sq m	Medical and dental clinic
Popular (CCK)	Blk 534 Choa Chu Kang St 51 #01-45 Singapore 680534	3 years from 1 October 2005	54 sq m	Dental clinic
Popular (Woodlands)	Blk 888 Woodlands Dr 50 #01-739 888 Plaza Singapore 730888	1 November 2006 to 31 July 2008	20 sq m	Medical and dental clinic
SBCC Clinic	#01-01/02 Mount Alvernia Centre Blk A Mount Alvernia Hospital 820 Thomson Road Singapore 574623	3 years from 11 May 2005 with an extension to 31 October 2008	1,339	Medical clinic

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
SBCC Clinic	339 Thomson Road #05-06 Thomson Medical Centre Singapore 307677	3 years from 1 September 2005	1,026	Medical clinic
SBCC Clinic[5]	6 Napier Road #07-01, #07-02, #07-03 and #07-05 Gleneagles Medical Centre Singapore 258499	3 years from 1 January 2007	243 sq m	Medical clinic
SBCC Clinic[5]	Blk 726 Ang Mo Kio Avenue 6 #01-4154 and #01-4156 Singapore 560726	3 years from 1 January 2007	304 sq m	Medical clinic
SBCC Clinic	3 Mount Elizabeth #12-14 Mount Elizabeth Medical Centre Singapore 228510	1 year from 1 July 2007	1,076	Medical clinic
SC 21[6]	No. 2 and 2A Chun Tin Road Singapore 599589	3 years from 1 June 2006	1,150	Medical clinic
SC 24hrs	502 Jurong West Avenue 1 #01-803 Singapore 640502	5 years from 15 January 2008	750	Medical and dental clinic
SC AC	Blk 262 Serangoon Central Drive #01-109 Singapore 550262	3 years from 5 June 2006	1,400	Medical clinic
SC Healthcare	923 Yishun Central 1 #01-352 Singapore 760923	3 years from 1 April 2008	630	Medical clinic
SC Medical	275A Holland Avenue Singapore 278992	4 years from 1 September 2005	1,400	Medical clinic
SC North	Blk 302 Woodlands St 31 #01-297 Singapore 730302	3 years from 1 September 2007	980	Medical clinic
Thomson Paediatric	No. 339 Thomson Road #03-05/06 Thomson Medical Centre Singapore 307677	3 years from 1 September 2005	2,647	Medical clinic
Thomson Paediatric	Blk 279 Bishan St 24 #01-50 Singapore 570279	3 years from 1 January 2007	72 sq m	Medical clinic
Thomson Paediatric	298 Tiong Bahru Road #01-03/04 Central Plaza Singapore 168730	3 years from 1 June 2006	1,991	Medical clinic
Thomson Paediatric	820 Thomson Road #05-01 Mount Alvernia Medical Centre A Singapore 574623	3 years from 2 January 2007	764	Medical clinic
Unimedic	Blk 177 Toa Payoh Central #01-130 Singapore 310177	3 years from 1 March 2006	550	Shop

Tenant	Location	Tenure	Gross Floor Area (sq ft unless otherwise stated)	Use of property
Unimedic	Blk 144 Teck Whye Lane #01-201 Singapore 680144	3 years from 1 March 2006	2,769	Medical clinic
Unimedic	Blk 116 Lorong 2 Toa Payoh #01-160 Singapore 310116	2 years from 1 December 2007	1,400	Medical clinic
Unimedic	Blk 452 Ang Mo Kio Avenue 10 #01-1787 Singapore 560452	3 years from 1 June 2007	850	Medical clinic
Unimedic	Blk 118 Rivervale Drive #02-20 Singapore 540118	8 months from 1 December 2007	42 sq m	Medical clinic
Universal (Braddell)	Blk 107 Toa Payoh Lorong 1 #01-258 Singapore 310107	3 years from 2 May 2007	25 sq m	Dental clinic
Universal (Woodlands)	Blk 883 Woodlands St 82 #01-470 Singapore 730883	3 years from 1 December 2005	28 sq m	Dental clinic
Universal Dentalcare	Blk 190 Lorong 6 Toa Payoh #02-512 Singapore 310190	2 years and 2 months from 1 October 2007	177 sq m	Dental clinic

Notes:

(1) This property is currently leased by UH and, subject to receipt of approval by HDB, the lease will be transferred to HME.

(2) This property is currently leased by UH and, subject to the receipt of approval by the lessor, the lease will be transferred to HMG.

(3) As at the Latest Practicable Date, this property is owned by IOC Investment Pte Ltd ("IOC Investment"). Prior to the completion of the sale and purchase agreement in respect of the acquisition by Unimedic of IOC ("IOC Agreement"), the shareholders of IOC and IOC Investment are the same. Although IOC Investment has agreed to lease this property to IOC for a term of three years from 1 January 2007, no formal lease agreement has been entered into between the parties and rental for this property is paid by IOC on a month to month basis. IOC will enter into a formal lease agreement with IOC Investment upon the completion of the IOC Agreement after the Exposure Period but prior to Registration. Such formal lease agreement has been entered into as at the date of this Offer Document.

(4) As at the Latest Practicable Date, this property is owned by Island Sports Investments Pte. Ltd. ("IOC Sports"). Prior to the completion of the sale and purchase agreement in respect of the acquisition by Unimedic of IOC ("IOC Agreement"), the shareholders of IOC and IOC Sports are the same. Although IOC Sports has agreed to lease this property to IOC for a term of three years from 1 January 2007, no formal lease agreement has been entered into between the parties and rental for these properties are paid by IOC on a month to month basis. IOC will enter into a formal lease agreement with IOC Sports upon the completion of the IOC Agreement after the Exposure Period but prior to Registration. Such formal lease agreement has been entered into as at the date of this Offer Document.

(5) As at the Latest Practicable Date, this property is owned/leased by SBCC Investments Pte Ltd ("SBCC Investments"). Prior to the completion of the sale and purchase agreement in respect of the acquisition by Unimedic of SBCC Clinic ("SBCC Agreement"), the shareholders of SBCC Clinic and SBCC Investments are the same. Although SBCC Investments has agreed to lease this property to SBCC Clinic for a term of three years from 1 January 2007, no formal lease agreement has been entered into between the parties and rental for these properties are paid by SBCC Clinic on a month to month basis. SBCC Clinic will enter into a formal lease agreement with SBCC Investments upon the completion of the SBCC Agreement after the Exposure Period but prior to Registration. Such formal lease agreement has been entered into as at the date of this Offer Document.

(6) This property is partially sublet to Q&M Dental Surgery (Bukit Timah).

(7) This property is being sublet to Q&M Dental Surgery (Admiralty) Pte Ltd.

(8) This property is sublet to Wong Wai Ling.

(9) This property is being partially sublet to Dr Cheam Li Chang.

(10) This property is being sublet to Q&M Dental Surgery (Sembawang) Pte Ltd and Thomson Women's Clinic (Sun Plaza) Pte Ltd.

INTELLECTUAL PROPERTY

We have registered the following trademarks:

Registered owner	Trademark	Class	Country of registration	Granting authority	Status	Expiry date
HMG	Healthway Medical Group	44[(1)]	Singapore	Intellectual Property Office of Singapore	Registered	29 July 2015
HMG	Healthway	44[(1)]	Singapore	Intellectual Property Office of Singapore	Registered	29 July 2015
Aaron Seow		44[(2)]	Singapore	Intellectual Property Office of Singapore	Registered	22 July 2012

Notes:

(1) In respect of medical clinic services; health care; health clinics; physician's services; preventive medical service; medical treatment, medical health screening; medical counselling; medical and physical examination; fitness testing and medical health assessment services; x-ray services; dentistry; hygiene and beauty care for human beings; midwife services; planning and supervision of weight-reduction programmes; nursing and convalescent home services; physiotherapy services; consultancy and advisory services relating to all the aforesaid services included in Class 44.

(2) In respect of the provision of dental clinics, dental services, dental emergency services, dental implantology, orthodontic services, maxillofacial surgery, management and consultancy services in connection with all the foregoing services; hiring of dental apparatus; all included in Class 44.

We have also been granted a licence for the following trademark:

Licensor	Trademark	Class	Country of registration	Granting authority	Status	Expiry date
BC Skincare Trading Company	BCNG	03[(1)]	Singapore	Intellectual Property Office of Singapore	31 May 2009 (irrevocable licence)	31 May 2009

Note:

(1) In respect of facial care products (cosmetics).

Save as disclosed above, we do not have any patents, licences or trademarks on which our business or profitability is materially dependent. We have not paid or received any royalties for any licence or use of any intellectual property.

GOVERNMENT REGULATIONS

In general, the practices of doctors and dental surgeons are governed by their professional training as well as regulations that are laid down by the SMC and SDC.

The SMC is a statutory board under MOH, which generally (i) maintains the Register of Medical Practitioners in Singapore, (ii) administers the CME programme (which was made compulsory for all registered medical practitioners in 1 January 2003), and (iii) governs and regulates the professional conduct and ethics of registered medical practitioners.

The SDC is the self-regulatory body for the dental profession constituted under the Dentists Act. Its key objectives are to promote high standards of oral health and to promote the interests of the dental profession in Singapore.

Our three clinical governance boards regularly review and set policies and guidelines in accordance with the regulations and guidelines of the SMC, SDC and MOH, in order to ensure that our doctors and dentists practise with the requisite professional, ethical and moral standards. Please refer to the section entitled "General Information of our Group – Quality Assurance" of this Offer Document for details of our clinical governance boards. Our Managing Director, Medical Services, Dr Wong Weng Hong, together with the lead doctors/dentists of each medical practice group, are responsible for the implementation of these policies and guidelines, which involves the communications of such policies and guidelines to our clinical staff, the design and deployment of appropriate work processes and regular audits.

We have identified the main laws and regulations that materially affect our existing operations and the relevant regulatory bodies in Singapore (apart from those pertaining to general business requirements) as follows:

(a) Hospitals Act

All our clinics hold licences issued by MOH which are subject to the provisions of the Hospital Act and its subsidiary legislation and any directions or guidelines as may be given or issued from time to time by the Director of Medical Services ("DMS").

The Hospitals Act and its subsidiary legislation provide for, *inter alia*, the factors that determine when a licence may be issued or refused, persons who may manage, *inter alia,* private hospitals and their duties, the suspension or revocation of licences, the establishment of quality assurance committees by the licencees of private hospitals or healthcare establishments and the power of the DMS.

In determining whether to issue or refuse to issue a licence, the DMS shall have regard to, *inter alia*, the following:

(i) the character and fitness of the applicant to be issued with a licence or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of directors or committee or committee or board of trustees or other governing body of the body corporate;

(ii) the ability of the applicant to operate and maintain a healthcare establishment in accordance with the prescribed standards as may be given or issued by the DMS from time to time in respect of any matter relating to the management, operation, maintenance or use of a healthcare establishment;

(iii) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licenced for use as a healthcare establishment; and

(iv) the adequacy of the nursing and other staff that are to be employed at the premises or conveyance to be licenced.

(b) Medical Registration Act

The Medical Registration Act and its subsidiary legislation, provide for, *inter alia,* the establishment of the SMC and the registration of medical practitioners in Singapore.

Some of the important functions of the SMC are as follows:

(i) to approve or reject applications for registration under this Act or approve such application subject to such restrictions as it may think fit;

(ii) to issue practising certificates to registered medical practitioners;

(iii) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and

(iv) to determine and regulate the conduct and ethics of registered medical practitioners.

No person shall practice as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practising certificate. Any person who is not qualified and, *inter alia*, (a) practises medicine; (b) wilfully and falsely pretends to be a duly qualified medical practitioner; (c) practises medicine or any branch of medicine, under the style or title of physician, surgeon, doctor; or (d) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, to a fine not exceeding $200,000 or to imprisonment for a term not exceeding two years or to both.

(c) <u>Dentists Act</u>

The Dentists Act and its subsidiary legislation provide for, *inter alia*, the establishment of the SDC and the registration of dentists in Singapore.

Some of the important functions of the SDC are as follows:

(i) to approve or reject applications for registration as a dentist under the Dentists Act or to approve such application subject to such restrictions as it may think fit;

(ii) to issue certificates of registration and practising certificates to registered dentists;

(iii) to make recommendations to the appropriate authorities for the training and education of registered dentists; and

(iv) to determine and regulate the conduct and ethics of registered dentists.

No person shall practise dentistry in Singapore unless he is a registered dentist and has a practising certificate in force. Any person in contravention of the above shall be guilty of an offence. In addition, any person who, *inter alia*, (a) pretends to be, takes or uses the name or title of dentist; (b) fraudulently procures or attempts to procure registration as a dentist under this Act; or (c) wilfully makes or causes to be made any false entry in the register, buys, sells or fraudulently obtains a certificate of registration or a practicing certificate shall also be guilty of an offence. Any person guilty of an offence shall be liable on conviction to a fine not exceeding $25,000 and, in the case of a second or subsequent conviction, to a fine not exceeding $50,000 or to imprisonment for a term not exceeding six months or to both.

(d) <u>Nurses Act</u>

The Nurses Act and its subsidiary legislation provide for the registration and enrolment of nurses and for matters connected herewith.

Under the Nurses Act, no person shall employ or engage a person who is not a qualified nurse to carry out any act of nursing. Any person who contravenes the abovementioned shall be guilty of an offence and shall be liable on conviction to a fine and/or imprisonment. In any proceedings for such an offence, it is a defence for the employer to prove that he did not know that the person concerned was not a qualified nurse and that he had exercised due diligence to ascertain if that person was a qualified nurse.

(e) <u>Medicine Act</u>

The Medicine Act stipulates, *inter alia*, general provisions for the manufacturing of and dealing in medicinal products, the considerations of the Minister of Health (the “Minister”) for granting a wholesaling licence to a wholesaler who intends to purchase medicines for the purpose of distributing these medicines to clinics and other retail outlets and the need to regulate pharmacies, the labelling of medicines, the packaging of medicines and the content of informational and advertising literature on medicinal products targeting the public.

All persons and corporations must obtain licences to sell, supply, export, procure the sale of, procure the supply or exportation of, procure the manufacture or assembly of, or import any medicinal product, unless the preparation, dispensary, assembly, or procuring the preparation or dispensary of the medicinal product is in accordance with the prescription given by a medical practitioner or done under the supervision of a registered pharmacist.

The Minister has also set forth regulations that prescribe the conditions and requirements to be complied by a person carrying on a retail pharmacy business, the rules for labelling, packaging and displaying medicinal products, and information on the medicinal products in brochures and advertisements. No person is allowed to falsely label and describe a medicinal product, as well as mislead people as to the nature or quality of the product or as to the uses or effects of these products.

Any person who contravenes the aforesaid regulations shall be guilty of an offence and be liable on conviction to a fine or to imprisonment or to both. The Minister also has the right to revoke a licence as he deems fit.

In addition to the above legislation, our operations are also subject to such other legislation governing and/or affecting the healthcare industry, including the Pharmacists Registration Act (Chapter 230) of Singapore, Sale of Drugs Act (Chapter 282) of Singapore, Misuse of Drugs Act (Chapter 185) of Singapore and their corresponding subsidiary legislation.

(f) TCM Act

The TCM Act requires, *inter alia*, TCM practitioners who undertake the prescribed practice of TCM to be registered with the TCM Practitioners Board. Besides registering TCM Practitioners, the TCM Practitioners Board also accredits TCM schools and courses, and regulates the professional conduct and ethics of registered TCM Practitioners.

The registration of TCM practitioners begun in 2001 with the registration of acupuncturists in Singapore. This was followed by the registration of TCM physicians in 2002. With effect from 1 January 2004, practitioners who wish to practise the prescribed practice of TCM are required to be registered with the TCM Practitioners Board and to possess valid practising certificates.

No person shall be allowed to (i) carry out any prescribed practice of traditional Chinese medicine; or (ii) advertise or otherwise hold himself out to be qualified to carry out any prescribed practice of traditional Chinese medicine, unless he is a qualified person in respect of that prescribed practice of under the TCM Act.

Any person who acts in contravention of the registration requirements under the TCM Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $25,000 or to imprisonment for a term not exceeding six months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 12 months or to both.

(g) The Ethical Code and the Ethical Guidelines

There are legislations and codes of medical ethics, practice and guidelines set out by the MOH, SMC and SMA, including the Ethical Code and the Ethical Guidelines (collectively referred to as the “Guidelines”).

Furthermore, the Guidelines set out the standard required of information provided by physicians about their services. In general, physicians may provide information about their qualifications, areas of practice, practice arrangements and contact details. Under the Guidelines, all such information shall be factual, accurate, verifiable and shall not be misleading, sensational, persuasive, laudatory, comparative or disparaging. The Guidelines further discuss the issues relating to a doctor’s activities outside of his medical practice including a doctor’s relationship with non-medical companies.

If a doctor is found to be in breach of any of the Guidelines, the same doctor may be asked by the relevant governing bodies to defend and explain his actions and may also face disciplinary proceedings for professional misconduct.

Licences

Our doctors, dentists and TCM practitioners are registered under the Medical Registration Act, Dentists Act and TCM Act. In addition, we have obtained the following material licences, permits and approvals from the relevant government authorities which are required for conducting our existing business:

Licence	Licensing Body	Description
Licence to operate private hospitals, medical clinics, clinical laboratories and healthcare establishments	MOH	The Hospitals Act requires that a licence be obtained before any premises or conveyance is used as private hospitals, medical clinics, clinical laboratories and healthcare establishments. The licence granted is specific to each individual medical clinic at a specific location and is typically granted for a period of two years, renewable prior to expiry.
Licence to keep or possess ionising irradiating apparatus	NEA	The Radiation Protection Act provides that no person shall keep or possess any irradiating apparatus unless he is the holder of a licence. The licence granted is specific to each ionising irradiating apparatus at a specific location and is typically granted for a period of one year, renewable prior to expiry.
Licence to use ionising irradiating apparatus	NEA	The Radiation Protection Act provides that no person shall use any irradiating apparatus unless he is the holder of a licence authorising him to use irradiating apparatus of the kind to which that apparatus belongs, or is a person acting under the supervision or instructions of a person licensed as aforesaid. The licence granted is specific to each individual in respect of specified apparatus and is typically granted for a period of one year, renewable prior to expiry.
Licence as a radiation worker	NEA	The Radiation Protection Act provides that any person engaged in radiation work shall have a licence or be registered as a radiation worker. The licence granted is specific to each individual and is typically granted for a period of one year, renewable prior to expiry.
Licence to operate surgical lasers	NEA	The Radiation Protection Act provides that a licence is required for the manufacture, possession, use and sale of specified non-ionising radiation devices. The licence granted is specific to each individual in respect of specified apparatus and is typically granted for a period of one year, renewable prior to expiry.

Licence	Licensing Body	Description
Licence to possess non-ionising radiation irradiating apparatus	NEA	The Radiation Protection Act provides that a licence is required for the manufacture, possession, use and sale of specified non-ionising radiation devices. The licence granted is specific to each non-ionising radiation irradiating apparatus at a specific location and is typically granted for a period of one year, renewable prior to expiry.
Licence to manufacture, possess for sale or deal in non-ionising radiation irradiating apparatus	NEA	The Radiation Protection Act provides that a licence is required for the manufacture, possession, use and sale of specified non-ionising radiation devices. The licence granted is specific to each non-ionising radiation irradiating apparatus and is typically granted for a period of one year, renewable prior to expiry.

As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals have been suspended, revoked or cancelled and to the best of our knowledge and belief, we are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of, any of these licences, permits and approvals to be rejected by the relevant authorities. Our human resource department maintains a record of all the practising certificates and professional indemnity insurances of all our doctors and dentists.

RESEARCH AND DEVELOPMENT

We do not undertake research and development activities as the nature of our business does not require extensive research and development.

MAJOR CUSTOMERS

Our customer base is primarily comprised of individual patients. We are not materially dependent on any single individual or corporate client and no one single client accounts for 5% or more of our total turnover on a proforma basis for each of the last three financial years.

MAJOR SUPPLIERS

The supplier accounting for 5% or more of our total purchases on a proforma basis for each of the last three financial years ended 31 December 2007 is provided below:

	Percentage of total purchases (%)		
Supplier	FY2005	FY2006	FY2007
Zuellig Pharma Pte. Ltd.	57.16	56.24	63.75

Our purchases from Zuellig Pharma Pte. Ltd. increased from 56.24% of total purchases in FY2006 to 63.75% of total purchases in FY2007 due mainly to the increase in the pharmaceutical and healthcare products carried by Zuellig Pharma Pte. Ltd.

Zuellig Pharma Pte. Ltd. is a major distributor of pharmaceutical and healthcare products in the Asia Pacific region and we procure a significant amount of our medical supplies from Zuellig Pharma Pte. Ltd. However, we believe that alternative medical suppliers are readily available.

None of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in Zuellig Pharma Pte. Ltd.

CREDIT POLICY

Sales

The bulk of our sales are contributed by individual patients. All our individual patients are charged on a cash basis for medical services rendered and the sale of medicine and related products. Various modes of payment including cash, credit card and NETS are generally accepted.

As the bulk of our revenue is collected at our clinics in cash over the counter, we have put in place a cash control procedure to ensure that cash collected is properly accounted for and deposited into our bank accounts in a safe and secure manner. We have engaged Brink's Singapore Pte Ltd ("Brink's"), an independent cash collection agency, to collect cash from each of our clinics on a regular basis (between once to twice per week depending on the volume of cash collected at a clinic), count and deposit into our bank accounts. We have also implemented a cash reconciliation system where we match our clinics' cash sales reports with the collection reports from Brink's and our bank statements to ensure that all cash collected at our clinics tally with the amounts deposited on a weekly basis.

For our corporate clients, we generally grant credit terms of up to 120 days and invoices are generated on a monthly basis. We grant credit terms based on our risk assessment of our corporate clients, taking into account various factors such as our relationship with the client, repayment history, credit checks and trade reference, order size, the client's management profile and prevailing economic conditions. We did not experience any material bad debt write-off in respect of sales to our corporate clients in FY2007.

Our trade debtors' turnover days were as follows:

	FP2006[(2)]	**FY2007**[(3)]
Debtors' turnover days[(1)]	23	19

Notes:

(1) Debtors' turnover days is computed as follows:

$$\frac{\text{Closing trade receivable balances as at the end of financial year/period}}{\text{Revenue}} \times \text{Number of days}$$

Where:

"Number of days" is defined as the number of calendar days in the relevant financial year/period; and

"Revenue" includes both cash sales as well as credit sales.

(2) Based on the audited consolidated trade receivable balance as at 31 December 2006 and the aggregate audited consolidated revenue for FP2006.

(3) Based on the unaudited proforma trade receivable balance as at 31 December 2007 and the aggregate unaudited proforma revenue for FY2007.

Purchases

The credit terms generally granted by our suppliers of drugs, consumables, medical supplies, laboratory services and others is up to 120 days. Our creditors' turnover days were as follows:

	FP2006[(2)]	**FY2007**[(3)]
Creditors' turnover days[(1)]	115	71

Notes:

(1) Creditors' turnover days is computed as follows:

$$\frac{\text{Closing trade payable balances as at the end of financial year/period}}{\text{(Medical supplies and consumables used, laboratory and other expenses and other operating expenses)}} \times \text{Number of days}$$

Where:

"Number of days" is defined as the number of calendar days in the relevant financial year/period.

(2) Based on the audited consolidated trade payable balance as at 31 December 2006 and the aggregate audited consolidated medical supplies and consumables used, laboratory and other expenses and other operating expenses for FP2006.

(3) Based on the unaudited proforma trade payable balance as at 31 December 2007 and the aggregate unaudited proforma medical supplies and consumables used, laboratory and other expenses and other operating expenses for FY2007.

Prior to joining our Group, the Acquired Entities generally made purchases on either cash terms or credit terms of less than 120 days. As such, our creditors' turnover days reduced from 115 days in FP2006 to 71 days in FY2007 with the inclusion of the Acquired Entities in FY2007.

Upon completion of the acquisitions, we have extended our central store controls to the Acquired Entities (excluding IOC, IOCH, SBCC Clinic and SBCC S&T) in FY2007.

INVENTORY MANAGEMENT

Central Store

We operate a central store that is licensed to disburse prescription and pharmacy medicines subject to Section 6(2) of the Medicine Act and the distribution practice guidelines of the HSA such as stock handling and proper documentation. Our central store's licence is renewed on an annual basis following an annual audit by HSA.

Our central store purchases and stocks up on drug items in bulk so as to enjoy bulk discounts and distribute the drug items internally to our clinics. Our drug inventory consists mainly of proprietary products from major pharmaceutical companies such as GlaxoSmithKline plc, Pfizer Incorporated, Sanofi-Aventis, AstraZeneca PLC and F.Hoffmann-La Roche, Ltd.

Clinics

Our clinics are licensed under the Hospitals Act and are responsible for maintaining their drug inventory. This includes checking the expiry date of drugs, monitoring the temperature of drug storage, dispensing drugs on a first-in-first-out basis and highlighting slow-moving items.

Inventory Turnover

Our inventory turnover days were as follows:

	FP2006(2)	**FY2007**(3)
Inventory turnover days(1)	91	85

Notes:

(1) The inventory turnover is computed as follows:

$$\frac{\text{Closing inventory balance as at the end of financial year/period}}{\text{Medical supplies and consumables used}} \times \text{Number of days}$$

Where:

"Number of days" is defined as the number of calendar days in the relevant financial year/period.

(2) Based on the audited consolidated inventory balance as at 31 December 2006 and the aggregate audited consolidated medical supplies and consumables used for FP2006.

(3) Based on the unaudited proforma inventory balance as at 31 December 2007 and the aggregate unaudited proforma medical supplies and consumables used for FY2007.

Our inventory turnover days decreased from 91 days in FP2006 to 85 days in FY2007 due to the inclusion of the orthopaedics, dentistry and aesthetic medical practices, where they generally carry lower inventory balances than the family medicine clinics.

COMPETITION

The healthcare services industry in Singapore is very competitive with many healthcare service providers, both in the private and public sector. However, different healthcare service providers target different segments of the population and/or different fields of medicine. Accordingly, we believe that the following healthcare service providers are our main competitors in Singapore:

Competitor	Competing service offerings
Accumed Medical Group Pte Ltd	Family medicine
Kidslink Children's Clinic Pte Ltd	Paediatrics
Kinder Clinic Pte Ltd	Paediatrics
Pacific Healthcare Holdings Ltd.	Dentistry, specialist and family medicine healthcare
Parkway Holdings Limited	Family medicine, dentistry, specialist and surgery
Q&M Dental Group	Dentistry
Raffles Medical Group Ltd	Family medicine, dentistry and specialist healthcare
Astique Medical Pte Ltd	Aesthetic medicine
Ma Kuang Healthcare Group	TCM

COMPETITIVE STRENGTHS

We believe that we are able to compete effectively with the following competitive strengths:

(a) Market reputation

Our Group has a strong market reputation in the fields of family medicine, paediatrics, orthopaedics, dentistry and aesthetic medicine, and is among the largest and most well-recognised practice groups in each of these fields. Many of our practice groups have credible track records of more than 10 years. Our strong market position and established track record provides a platform for growth in Singapore and overseas.

Individually, many of our physicians and surgeons are highly qualified and some are specialists in their respective fields.

(b) Extensive network of clinics

Our extensive and well-located network of over 80 clinics gives patients the benefit of being treated by our physicians at convenient locations in Singapore. Our Group has over 100 physicians on staff to provide a comprehensive range of medical services to our patients. Our medical staff are encouraged to share knowledge and support each other so as to deliver quality service to our patients.

(c) Experienced management team

The growth of our business may be attributed to the efforts of our experienced and committed management team and employees. Our Group is led by our Executive Directors, Dr Wong Weng Hong, who has extensive experience in the healthcare industry, and Fan Kow Hin and Dr Jong Hee Sen, who have extensive experience in corporate development. Collectively, Dr Wong Weng Hong, Fan Kow Hin and Dr Jong Hee Sen have an aggregate of over 30 years of experience in the healthcare industry and in corporate development. Our Executive Directors have been instrumental in spearheading our growth. We believe that our experience in the healthcare industry was crucial to our past success and will be key to our continuing success.

Our Executive Directors are supported by a team of committed Executive Officers and dedicated staff. Our Executive Directors and Executive Officers have substantial knowledge of the business which is critical to the continued success of our Group.

(d) Integrated healthcare benefits approach

We are able to provide our corporate clients and insurance companies with healthcare benefits management plans and third party administration, using our proprietary information system and extensive panel of affiliated clinics. Such healthcare benefits management plans provide primary to tertiary healthcare covering outpatient visits to hospitalisation. This approach allows us to provide cost effective and efficient arrangements for our corporate clients, thereby allowing us to develop closer ties with them.

PROSPECTS

Industry Overview

Healthcare services can be broadly categorised into three service levels, namely, primary, secondary and tertiary healthcare. Primary healthcare covers a broad range of health and preventive services, such as the management of common ailments as well as stable chronic diseases, preventive healthcare, health education and screening. It is the most frequent level of service delivery and is provided by family physicians at private medical or dental general practitioners' clinics and government clinics. The key factors at this level are accessibility, affordability and personalised service.

Secondary healthcare refers to specialised medical care of a particular medicine branch and can be provided in an outpatient medical specialist setting or within a hospital or medical/surgical centre. Access to secondary healthcare is often through referrals from the primary healthcare services.

Tertiary healthcare refers to the treatment of medical conditions and illnesses of higher complexity requiring specialised skills, personnel, technology and support services and is mainly provided in appropriately equipped medical centres and hospitals.

In Singapore, the healthcare delivery system can be broadly divided into two sectors, namely public healthcare including government medical centres and hospitals, and private healthcare providers. The Singapore government offers a wide range of medical services ranging from primary healthcare to tertiary healthcare via a network of polyclinics, hospitals and specialty centres. The private sector comprises numerous private clinics, medical centres and hospitals. There are currently over 2,000 private clinics providing primary healthcare services.

Prospects

We expect to benefit from the increase in demand for healthcare services, especially in the specialist and wellness fields. Our Directors are of the view that the healthcare service industry in Singapore will continue to grow as a result of the following main factors:

(a) Rising affluence and educational levels

Singapore's rising affluence and higher standard of living, coupled with a higher incidence of diseases of affluence such as diabetes, hypertension, heart disease, stroke and cancer, have resulted in greater interest in the prevention, early detection and good treatment of common ailments, chronic diseases, dental problems and cancers. These create long-term demand for better quality and greater sophistication in the primary and specialist healthcare services in Singapore.

(b) Government initiatives

Singapore is a recognised regional medical hub which attracts many overseas patients annually for excellent, accessible and a wide range of medical services. In addition, SingaporeMedicine, a multi-agency government initiative was launched in 2003 to promote and establish Singapore as one of Asia's leading medical hubs. Its goal is to attract one million foreign patients annually by 2012. Currently, more than 400,000 foreign patients visit Singapore annually for a whole range of healthcare services.

Since 2001, the Singapore government has introduced initiatives to increase national birth rates. In 2004, the Singapore government implemented a $300 million pro-family package to promote parenthood. Features of this package include, amongst others, promoting marriage, making child birth more affordable, providing financial support for raising children, enhancement of child care options and encouraging better work-life balance. This could potentially encourage families to have more children, which would increase the demand for medical services, especially paediatric services.

Since October 2006, the Singapore government has also approved the use of Medisave funds for treatment of several chronic illnesses at both private and public outpatient clinics. This is expected to increase the number of patients seeking medical care at private family clinics for their long-term illnesses as the population ages.

There are also on-going programmes initiated by public hospitals to actively refer their patients who require long-term care for various chronic illnesses to private family clinics for follow-up care.

In March 2008, the Singapore government has also announced the implementation of means testing from January 2009 at all the public hospitals and this is expected to increase the number of local patients seeking private specialist healthcare and hospitalisation.

We believe that the above initiatives will benefit the private healthcare sector in Singapore with more local and foreign patients as well as encourage our doctors to excel in their skills and knowledge to compete effectively.

(c) Demography and changing lifestyles

Changes in demography in Singapore such as an aging population and increasing immigration are set to increase the demand for medical services.

Demand for orthopaedic services will also increase as a result of an aging population, where good orthopaedic services will allow the elderly to achieve good mobility and functionality, and maintain a high quality of life.

In addition, as a greater number of people participate in sporting activities in order to maintain a healthy and active lifestyle, the occurrences of sports-related injuries will also increase correspondingly, thereby increasing the demand for orthopaedic services.

Save as disclosed above, and barring any unforeseen circumstances, our Directors do not expect any significant recent trends in sales and inventory, and in the costs and selling prices of our services, or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to not be indicative of our future operating results or financial conditions.

OUR ORDER BOOK

Due to the nature of our business, the concept of an order book is not meaningful to us. Although our clinics maintain a register for advance patient appointments, these appointments are not legally binding and may be cancelled or postponed easily, therefore do not constitute our orders on hand.

BUSINESS STRATEGIES AND FUTURE PLANS

We aim to develop our Group into a leading healthcare service provider in Singapore and Asia on the basis of the core philosophy of providing "*Personal, Caring and Consistent Medical Services*". We believe in making our services very accessible and amongst the best our patients can find. In line with this vision, we have embarked on an active expansion plan based on organic growth, as well as appropriate joint ventures and/or acquisitions of established healthcare businesses that are reputable in their fields.

Our business strategies and future plans aim to strengthen our competitive strengths and sustain future growth and are as follows:

(a) Expanding and enhancing integrated healthcare services

Our Group currently provides a wide range of healthcare services ranging from preventive care, general and specialist medical care, to aesthetic medicine and dental procedures for patients of all age groups. Our medical staff is encouraged to share knowledge and support each other so as to deliver quality service to our patients.

We will continue to focus on improving the scope of our current medical services and facilities, as well as explore other specialist healthcare related fields which complement our services. We have identified our Specialist & Wellness Healthcare division as the key growth area for the immediate future and intend to add new specialist and wellness services to our range of medical services provided. One of our wellness healthcare fields we are currently looking to expand is TCM.

Leveraging on strong practices, we are confident of attracting good physicians who share the same service and care philosophy.

(b) Developing and enhancing medical service delivery platform

Our clinics and medical centres are strategically located at prominent areas with high human traffic, clear visibility and easy accessibility by both private and public transport. We provide a network of over 80 clinics and medical centres that reach out to our private and corporate patients in the housing estates, industrial parks, central business district, shopping districts and private hospitals so that they can enjoy the benefit of being attended to by our physicians at convenient locations in Singapore.

Our Group operates many family medicine clinics with extended opening hours or which open on weekends and public holidays, located in places like Serangoon Central which operate 24 hours, 365 days a year. In addition, we operate a 24-hour medical hotline, providing around-the-clock medical care to our corporate clients and private individuals. We intend to continue identifying suitable sites to expand our clinic network in strategic locations for the provision of family medicine and specialist healthcare services. Our large network of primary care clinics provides an important channel for our specialist services.

We intend to use approximately $2.00 million of the net proceeds from the Invitation to finance the expansion of our clinic network.

(c) Improving the quality of our medical services

Our Group focuses on providing medical services that are both personalised and of good quality. This has been an on-going endeavour since our inception. Our physicians continuously pursue medical education, training and product knowledge, and capitalise on technology advancements to provide comprehensive and enhanced types of medical services and develop sub-specialities in their various medical fields. There is always a constant effort to stream-line prescription procedures, and medical usage in accordance to the latest scientific and practice guidelines. At the same time, costs to the patients are carefully controlled so as to maintain affordability with no compromise on the standard of care.

We also intend to use information technology to provide better service through more efficient handling of patient data, a more efficient billing process and to streamline our inventory management.

We intend to use approximately $0.25 million of the net proceeds from the Invitation to upgrade our computerised clinic management system.

(d) Developing our existing markets and enhancing our corporate positioning

We recognise the importance of consolidating and integrating our recently acquired medical practice groups into our Group. Our Group has medical practices with strong reputations in their respective fields. Many of these practice groups have credible track records of over 10 years. We aim to leverage on the strong existing positions of our medical practice groups to strengthen our business and expand the scale of our operations. In line with our core philosophy, our medical physicians, dentists, nurses and other medical support staff are encouraged to ensure consistent patient treatment across our Group's network of clinics. In addition, our various practice group clinics are also required to comply with a common set of service standards as specified by the relevant regulatory bodies. By establishing a consistent and integrated corporate branding for our Group, we expect that our patients will come to identify "Healthway" as a trustworthy and accessible healthcare provider of the various healthcare services. We are currently undertaking a branding exercise where the "Healthway" brand name will be made the central focus of our Group's underlying brand strategy to which our various medical practice groups will be linked.

We intend to use approximately $0.25 million of the net proceeds from the Invitation to carry out our branding exercise.

(e) Overseas expansion

We believe that there are growth opportunities for our Group overseas and intend to grow our clinics and facilities through acquisitions, joint ventures and strategic alliances as and when such business opportunities arise. We believe that enhanced operational integration and wider market reach offered by selective acquisitions will further strengthen our competitive position. In our overseas expansion, we intend to focus on building the "Healthway" service name through establishing state-of-the-art medical facilities in key cities with a focus on our core competencies in family medicine, dentistry, paediatrics and orthopaedics.

Currently, we have not identified any such prospective acquisitions, joint ventures, strategic alliances or other overseas expansion initiatives. While we intend to set aside approximately $3.00 million of the net proceeds from the Invitation to fund such expansion, in the event we are unable to use the proceeds for this purpose, whether in full or in part, such proceeds shall be utilised for working capital and other general corporate purposes.

In general, transactions between our Group and any of its interested persons (namely, our Directors, Chief Executive Officer or Controlling Shareholders of our Company or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders) would constitute interested person transactions for the purpose of Chapter 9 of the Catalist Rules. Details of interested person transactions for the last three financial years ended 31 December 2007 and up to the Latest Practicable Date (the "Relevant Period") are discussed below.

Save as disclosed below and in the section entitled "Restructuring Exercise" of this Offer Document, our Group does not have any other material transactions with any of its interested persons during the Relevant Period.

PAST INTERESTED PERSON TRANSACTIONS

Lease of properties from Dr Wong Weng Hong

Since 1993, HMG had leased the property at Blk 417 Yishun Avenue 11 #01-321 Singapore 760417 from Dr Tan See Leng, Dr Tan Yu Sing Lucienne, Dr Tan Gek Hua, Dr Wong Weng Hong and Dr Khor Chin Kee (collectively, the "Landlords"). Rental for this property was at a rental rate of $9,240 per month from 1 May 2002 to 30 April 2005 and $7,800 per month from 1 May 2005. The rental rates were determined based on prevailing market rates and on an arm's length basis. In July 2005, the property was sold by the Landlords to a third party, who is currently leasing the property to HMG based on prevailing market rates and on an arm's length basis.

Since 1996, HMG had also leased the property at Blk 960 Jurong West Street 92 #01-166 Singapore 640960 from the Landlords. Rental for this property was at a rental rate of $8,800 per month from 1 March 2002 to 30 April 2005 and $10,500 per month from 1 May 2005. The rental rates were determined based on prevailing market rates and on an arm's length basis. In July 2005, the Landlords sold the property to a third party, who is currently leasing the property to HMG based on prevailing market rates and on an arm's length basis.

Since 1995, HMG had also leased the property at Blk 625 Elias Road #01-322 Elias Mall, Singapore 510625 from the Landlords. Rental for this property was at a rental rate of $9,923.75 per month from 1 May 2002 to 30 April 2005, $8,165 per month from 1 May 2005 to 30 April 2007 and $9,800 per month since 1 May 2007. The rental rates were determined based on prevailing market rates and on an arm's length basis. In October 2007, the Landlords sold the property to a third party, who is currently leasing the property to HMG based on prevailing market rates and on an arm's length basis.

Details of the above properties are set out in the section entitled "General Information on our Group – Properties" of this Offer Document.

The total amounts paid by HMG to Dr Wong Weng Hong in respect of the above properties during Relevant Period were as follows:

($)	**FY2005**	**FY2006**	**FY2007**	**January 2008 up to the Latest Practicable Date**
Amounts paid to Dr Wong Weng Hong(1)	48,420	21,602	20,299	N.A.

Note:

(1) Based on one-fifth of the rental amounts paid.

We do not expect to enter into any future transactions of the above nature.

Loans from Dr Wong Weng Hong

In 2006, Dr Wong Weng Hong extended a loan of $202,500 to CLAAS for the acquisition of BCNG. Subsequently, in March 2007, Dr Wong Weng Hong extended a short-term loan of $18,000 to CLAAS for working capital purposes. The aforementioned loans were on preferential terms as they were unsecured, interest-free and had no fixed term of repayment. Pursuant to an agreement dated 28 May 2007, Dr Wong Weng Hong has agreed to waive the repayment by CLAAS of the loan for $202,500 upon the issuance of Shares in connection with the Restructuring Exercise. The largest amount outstanding for these loans by Dr Wong Weng Hong during the Relevant Period was $220,500. As at the Latest Practicable Date, $220,500 remains outstanding to Dr Wong Weng Hong, of which $202,500 will be waived and $18,000 will be fully repaid prior to the admission of our Company to the Catalist. Our Directors believe that from our Group's perspective, the said loan was carried out on preferential terms. We do not expect to enter into any future transactions of the above nature.

Loan from Aathar Ah Kong Andrew

Aathar Ah Kong Andrew is a Controlling Shareholder of our Company. In July 2007, Aathar Ah Kong Andrew extended a loan of $1.23 million to our Group. The loan was on preferential terms as it was unsecured, interest-free and had no fixed term of repayment. The largest amount outstanding for this loan during the Relevant Period was $1.23 million. This loan was subsequently repaid by UH on behalf of our Group in October 2007. Please refer to the past interested person transaction below for details of the amounts due by us to UH. Our Directors believe that from our Group's perspective, the abovementioned loan was carried out on preferential terms. We do not expect to enter into any future transactions of the above nature.

Acquisition of CLAAS pursuant to the Restructuring Exercise

Pursuant to a sale and purchase agreement dated 11 April 2007, Unimedic acquired an aggregate of 499,993 ordinary shares in the capital of CLAAS ("CLAAS Shares") from Dr Wong Weng Hong, Soh Liang Joseph, Liew Kou Chuen, Tan Eng Choon Gerard, Tan Yi Ryh, Yang Cindy and Lim Wee How (collectively, the "CLAAS Vendors") for a total consideration of $2,907,724.62, being $4,999,993 less the aggregate amount owing by CLAAS to financial institutions ("CLAAS Acquisition"). The purchase consideration was determined based on a willing-buyer, willing-seller basis taking into consideration the profitability of CLAAS and will be satisfied by the issuance of 8,077,009 Shares, at the Invitation Price, credited as fully paid-up. Dr Wong Weng Hong had an interest of 38% in the capital of CLAAS. Please refer to the sections entitled "Shareholders" and "Restructuring Exercise" of this Offer Document for further details. As at the Latest Practicable Date, Unimedic holds 499,993 CLAAS Shares and the CLAAS Vendors each hold one CLAAS Share.

Amount due to UH from HMS

Prior to the Management Buy-out in 2006, an amount of $6.62 million was due from HMG, HME and Vista to BUPA Healthcare Asia. Following the completion of the Management Buy-out, UH took over the outstanding amount of $6.62 million due from HMG, HME and Vista to BUPA Healthcare Asia. A portion of this outstanding amount was subsequently paid by HMG, HME and Vista, thereby reducing the outstanding amount of $6.62 million to $4.17 million. In May 2007, our Company was incorporated and UH sold its entire interest in Unimedic, China Healthway, Vista, HMG and HME at cost to HMS for $4.94 million. Consequently, the amount of $4.17 million due from HMG, HME and Vista to UH was transferred to our Company at cost. As a result of this internal restructuring, an aggregate amount of $9.11 million was due to UH. Please refer to the sections entitled "Restructuring Exercise" and "General Information on our Group – History" of this Offer Document for more details.

On 31 December 2007, pursuant to a deed of undertaking and indemnity between our Company and UH ("UH Deed"), in consideration of our Company paying the sum that was outstanding as at 31 December 2007 of $52.56 million to UH on a date that is to be agreed between our Company and UH, UH undertook to pay the remaining amounts to be paid by cash and Shares to the various vendors under, or pursuant to the sale and purchase agreements (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) entered into by Unimedic, HMG and HME, and to indemnify our Company in respect of the same. On 26 May 2008, our Company and UH entered into a variation deed in respect of the UH Deed, pursuant to which the obligations and liabilities of UH shall automatically terminate and be of no effect upon the Invitation.

From February 2006 to 31 December 2007, there were expenses paid by our Consolidated Group on behalf of UH amounting to $4.46 million.

From May 2007 to 31 December 2007, UH paid on behalf of our Group, part of the consideration for the acquisition of the Acquired Entities amounting to $21.76 million. In October 2007, UH settled on behalf of our Group, the advance of $1.23 million from Aathar Ah Kong Andrew to our Group.

In addition, UH had paid for expenses (including expenses relating to the acquisition of the Acquired Entities) on our behalf during FY2007 amounting to $3.38 million.

As at 31 December 2007, the net amount owing by HMS to UH is $83.58 million, after setting off the expenses paid by our Consolidated Group on behalf of UH amounting to $4.46 million.

From January 2008 to the Latest Practicable Date, there were expenses paid on our behalf by UH amounting to $0.83 million. In addition, UH, in fulfilment of its obligations to the vendors of the Acquired Entities, had authorised and directed Unimedic to make payment amounting to $2.90 million to the vendors of the Acquired Entities.

The following table sets out a summary of the amounts due to/from UH and our Group:

	$'million
Payment made on behalf of Unimedic, HMG and HME by UH to vendors of the Acquired Entities	21.76
Amount due to UH in relation to the acquisition of HMG, HME and Vista by our Company from UH	9.11
Expenses paid by UH (including expenses relating to the acquisition of the Acquired Entities) on behalf of our Company in FY2007	3.38
Repayment by UH of the advance made by Aather Ah Kong Andrew to our Group	1.23
Expenses paid by our Consolidated Group on behalf of UH in FP2006 and FY2007	(4.46)
UH Deed	52.56
Amount due from HMS to UH as at 31 December 2007	**83.58**
Amount paid by Unimedic to vendors of the Acquired Entities	(2.90)
Expenses paid by UH on behalf of our Company	0.83
Amount due from HMS to UH as at the Latest Practicable Date	**81.51**
UH Capitalisation 1	(6.26)
UH Capitalisation 2	(1.33)
Shares to be issued to the vendors for the acquisition of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T)	(37.92)
Amount due from HMS to UH pursuant to the Restructuring Exercise as at the Latest Practicable Date	**36.00**

The amounts due to UH during the Relevant Period were as follows:

($'000)	FP2006	FY2007	January 2008 up to the Latest Practicable Date
Amounts due to UH	9,111	83,582	81,510

Between February 2006 and the Latest Practicable Date, after taking into account the balance amounts of $52.56 million to be paid by UH to the various vendors of the Acquired Entities (excluding IOCH, IOC, SBCC Clinic and SBCC S&T), $88.04 million would be extended by UH to our Consolidated Group. These amounts extended by UH were on preferential terms as they were interest-free, unsecured and had no fixed terms of repayment. Accordingly, the largest amount outstanding for these amounts owing to UH during the Relevant Period would be $88.04 million.

As at the Latest Practicable Date, $81.51 million of the amount owing to UH remains outstanding and will be fully settled by us by way of (i) the capitalisation of $45.51 million; (ii) the repayment of $22.50 million; and (iii) a waiver of the sum of $1.76 million by UH, prior to the admission of our Company to the Catalist. The undertaking by UH to pay the outstanding amount of $11.74 million shall lapse upon the admission of our Company to the Catalist in accordance with the terms of the variation deed in respect of the UH Deed and the liability to pay the $11.74 million shall revert to our Company. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details.

Our Directors believe that from our Group's perspective, the abovementioned transactions were carried out on an arm's length basis. We do not expect to enter into any future transactions of the above nature.

Provision of computer software maintenance and development services by Unilink Innovations Pte Ltd ("Unilink")

Unilink is a company incorporated in Singapore and is principally engaged in the business of provision of computer software maintenance and development services. The directors of Unilink are our Executive Director, Dr Jong Hee Sen and our Controlling Shareholder, Aathar Ah Kong Andrew. Unilink is wholly-owned by UG Tech Pte. Ltd., which is wholly-owned by Universal Gateway International Pte. Ltd., which is in turn, approximately 61.2% held by our Controlling Shareholder, One Organisation Limited.

On 1 July 2006, HMG had entered into a service agreement with Unilink, pursuant to which Unilink agreed to service and provide all labour to maintain HMG's computer equipment for a period of 12 months from 1 July 2006. The monthly service fee payable by HMG to Unilink was $6,053 from 1 July 2006 to 30 June 2007. In 2006, HMG also purchased $13,050 worth of office equipment from Unilink. Our Directors believe that from our Group's perspective, the above transactions were carried out on an arm's length basis.

The total amounts paid by HMG to Unilink during the Relevant Period were as follows:

($)	FY2005	FY2006	FY2007	January 2008 up to the Latest Practicable Date
Amounts paid to Unilink	N.A.	49,368	36,318	N.A.

We do not expect to enter into any future transactions of the above nature.

Loan from Universal Capital Partners Pte Ltd

Universal Capital Partners Pte Ltd ("Universal Capital") is wholly-owned by One Organisation Limited. On 2 April 2008, Universal Capital extended a loan of $2 million to our Group. The loan was on preferential terms as it was unsecured, interest-free and had no fixed term of repayment. The largest amount outstanding for this loan during the Relevant Period was $2 million. This loan was subsequently repaid by our Company on 5 May 2008. Our Directors believe that from our Group's perspective, the abovementioned loan was carried out on preferential terms. We do not expect to enter into any future transactions of the above nature.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Properties leased by UH for our Group

During the Relevant Period, our Group has used several premises leased by UH for its operations. Our Group bears all the rental charges of such premises leased by UH and such rental charges are paid directly to the landlords of the premises leased by UH. UH does not charge additional fees for the usage of the leased premises. As at Latest Practicable Date, a total of seven properties are leased by UH and used by our Group. Please refer to the section entitled "General Information on our Group – Properties" of this Offer Document for details of these seven properties.

During the Relevant Period, UH has obtained several banker's guarantees to secure the leases of certain properties used by our Group as well as to meet the requirements of the Comptroller of Goods & Services Tax with regards to the giving of banker's guarantees in lieu of security deposits needed for the GST registration of certain entities of our Group. Details of the banker's guarantees are as follows:

Financial Institution	Amount ($)	Beneficiary	Period
DBS Bank	27,799.80	HDB	13/03/06 to 28/02/09
DBS Bank	42,000.00	HDB	09/03/06 to 31/07/08
DBS Bank	43,025.85	HDB	13/03/06 to 31/07/08
DBS Bank	18,963.00	Novena Square Investment	25/08/06 to 14/12/08
DBS Bank	18,690.00	HDB	02/05/07 to 30/04/10
DBS Bank	25,830.00	HDB	02/05/07 to 28/02/10
DBS Bank	15,114.60	HSBC Institutional Trust Services	18/07/06 to 30/03/10
DBS Bank	15,000.00	The Comptroller of Goods & Services Tax	05/10/07 to 14/10/08
DBS Bank	15,000.00	The Comptroller of Goods & Services Tax	28/11/07 to 12/12/08
DBS Bank	30,000.00	The Comptroller of Goods & Services Tax	04/10/07 to 01/10/09
DBS Bank	30,000.00	The Comptroller of Goods & Services Tax	08/10/07 to 03/10/09
DBS Bank	22,042.00	HDB	13/12/07 to 31/01/11
DBS Bank(1)	21,420.00	HDB	09/03/06 to 31/01/08
DBS Bank(1)	62,650.00	Ministry of Community Development	13/03/06 to 28/03/08
DBS Bank(1)	40,000.00	Defence Science & Technology Agency	21/04/06 to 14/09/07

Note:

(1) As at the Latest Practicable Date, this guarantee has expired.

The largest amount of guarantees outstanding at any time for the Relevant Period was approximately $0.39 million.

As at the Latest Practicable Date, the aggregate amount of guarantees outstanding was approximately $0.30 million.

We intend to procure a release and discharge of the abovementioned guarantees upon the admission of our Company to the Catalist. If we are unable to procure the release and discharge of these guarantees, UH may continue to provide the guarantees required to secure these leases.

Guarantees provided by some of our Directors and our Controlling Shareholders, Aathar Ah Kong Andrew and UH

Some of our Directors and our Controlling Shareholders, Aathar Ah Kong Andrew and UH have provided personal guarantees to financial institutions to secure banking facilities extended to our Group as follows:

Financial Institution	Banking / Hire Purchase facilities	Borrower	Purpose of facility	Guarantor
Hong Leong Finance	Hire purchase line of $500,000	BCNG	Purchase of new medical equipment	Fan Kow Hin Dr Wong Weng Hong
Hong Leong Finance	Working capital loan of $50,000	BCNG	Working capital	Fan Kow Hin Dr Wong Weng Hong
UOB[1]	2-year term loan of $250,000	BCNG	Acquisition of the aesthetic medical practice of Woods Medical Clinic Pte Ltd	Dr Wong Weng Hong
UOB	Overdraft of $100,000	CLAAS	Working Capital	Dr Wong Weng Hong
UOB	2-year term loan of $100,000	CLAAS	Working Capital	Dr Wong Weng Hong
UOB	3-year term loan of $1,280,000	CLAAS	Acquisition of BCNG	Dr Wong Weng Hong
UOB	5-year term loan of $ 1,328,000	CLAAS	Acquisition of BCNG	Dr Wong Weng Hong
DBS Bank	2-year term loan of $500,000	HMG	Renovation of clinics	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH
DBS Bank	2-year term loan of $100,000	HMG	Purchase of medical equipment	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH
DBS Bank	Letters of Guarantee facility of $65,000	HMG	Rental and security deposits	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH
DBS Bank	Working capital line of $1,000,000	HMG	Working capital	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH
DBS Bank	Working capital line of $1,200,000	HMG	Working capital	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH

Financial Institution	Banking / Hire Purchase facilities	Borrower	Purpose of facility	Guarantor
DBS Bank	Extra Long-Term Guarantee facility of $7,000	HMG	Bank guarantees	Fan Kow Hin Dr Jong Hee Sen Aathar Ah Kong Andrew Dr Wong Weng Hong UH
ABN AMRO	Non-Credit Substitution Guarantees of up to $1.80 million, expiring on 31 December 2008	Unimedic	Bank guarantees	Fan Kow Hin Dr Jong Hee Sen Dr Wong Weng Hong Aathar Ah Kong Andrew
Citibank[(2)]	Short Term Loan of up to $22.50 million repayable on demand, for a duration of up to 3 months	HMS	For repayment of amounts due to UH	UH

Notes:

(1) As at the Latest Practicable Date, this guarantee has been discharged.

(2) This banking facility is secured by a charge on cash deposits of not less than the full amount disbursed maintained with Citibank by UH pursuant to a guarantee, charge on cash deposits and letter of set-off provided by UH to Citibank. UH has undertaken, pursuant to a Deed of Undertaking dated 28 May 2008, that it will continue to provide financial support to HMS in relation to the banking facility from Citibank until such time that the banking facility is no longer required by HMS.

The largest amount outstanding for all banking facilities secured by the abovementioned guarantees at any time for the Relevant Period was approximately $4.85 million.

As at the Latest Practicable Date, the aggregate amount outstanding for all banking facilities secured by the abovementioned guarantees was approximately $4.49 million.

The interest rates on these banking facilities range between 1% per annum and 5.75% per annum, or such other rate(s) as the respective institutions may determine from time to time.

We intend to procure a release and discharge of the abovementioned guarantees (save for the guarantee in respect of the Short Term Loan from Citibank) upon the admission of our Company to the Catalist. If we are unable to procure the release and discharge of these guarantees, the aforementioned Directors may continue to provide the guarantees required to secure these banking facilities or seek and obtain alternative facilities from other financial institutions offering comparable terms.

Securities provided by some of our Group companies in respect of certain banking facilities for UH

Our Group has provided the following securities to secure banking, credit and/or other facilities made available by DBS Bank to UH as follows:

(i) A Security Deed dated 12 April 2006 was entered into between HME and DBS Bank (in respect of an all monies charge over all assets (No. C200602499) registered 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit and/or other facilities from time to time made or to be made available by DBS Bank to UH;

(ii) A Security Deed dated 12 April 2006 was entered into between HMG and DBS Bank (in respect of an all monies charge over all assets (No. C200602485) registered 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit and/or other facilities from time to time made or to be made available by DBS Bank to UH;

(iii) A Security Deed dated 12 April 2006 was entered into between Vista and DBS Bank (in respect of an all monies charge over all assets (No. C200602491) registered on 18 April 2006 in favour of DBS Bank). This was provided in return for all banking, loan, credit, factoring and/or other facilities from time to time made or to be made available by DBS Bank to UH; and

(iv) 500,000 shares in HME, 265,005 shares in HMG and 2 shares in Vista were mortgaged by UH to DBS Bank in return for term loan facilities comprising a 4-year term loan of $5.00 million and a 6-month short-term loan of $1.00 million extended to UH by DBS Bank as per DBS Bank's letter of offer dated 12 January 2006, whereby the 4-year term loan is repayable in full within four years from the drawdown date.

The largest amount outstanding for all facilities secured by the security deeds at any time for the Relevant Period was approximately $6.00 million.

As at the Latest Practicable Date, the aggregate amount outstanding for all banking facilities secured by the abovementioned security deeds was approximately $2.78 million.

The interest rates on these banking facilities range between 6.25% per annum and 6.50% per annum, or such other rate(s) as the respective institutions may determine from time to time.

Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details on other guarantees and securities provided by our Group.

The abovementioned banking facilities from DBS Bank were extended to UH to finance the Management Buy-out. We have obtained a release and discharge of the security deeds set out in (i), (ii) and (iii) above and of the mortage of securities set out in (iv) above as at the date of this Offer Document.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

All future interested person transactions will be properly documented and submitted to our Audit Committee for periodic review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of our Shareholders. Our Audit Committee will adopt the following procedures when reviewing interested person transactions:

(a) when purchasing items from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained for comparison to ensure that the interests of minority Shareholders are not disadvantaged, where applicable. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, delivery time and track record will be taken into consideration;

(b) when selling items or supplying services to an interested person, the price or the fee and terms of two other successful transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of minority Shareholders are not disadvantaged. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the two other successful transactions with non-interested persons;

(c) when renting properties from or to an interested person, appropriate steps will be taken to ensure that such rent is commensurate with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (where necessary). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries; and

(d) when selling properties to an interested person, our Directors shall take appropriate steps to ensure that such sale price is commensurate with the prevailing market rates for similar properties and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate).

Our Audit Committee will review all interested person transactions, if any, at least quarterly to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from reviewing that particular transaction. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures.

In addition, our Audit Committee will include the review of interested person transactions as part of its standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with. In addition, such transactions will also be subject to Shareholders' approval if required by the Catalist Rules.

Under Chapter 9 of the Catalist Rules, a listed company may seek a Shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as supplies and materials, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

There is currently no general mandate from our Shareholders for recurrent interested person transactions of a revenue or trading nature or those necessary for our day-to-day operations. In the event that such a general mandate is required in the future, we shall obtain it in accordance with the provisions of the Catalist Rules.

POTENTIAL CONFLICTS OF INTERESTS

In general, a conflict of interest arises when any of our Directors, Controlling Shareholders or their Associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products as our Group.

Crane Medical is a company incorporated in Singapore and is principally engaged in the business of investing in medical services in the PRC. The directors of Crane Medical are Dr Wong Weng Hong, Yee Fook Phin and Kee Teck Leong. The shareholders of Crane Medical are One Organisation Limited (95%) and Dr Wong Weng Hong (5%). Fan Kow Hin, Dr Jong Hee Sen and Aathar Ah Kong Andrew have an interest in 58%, 20% and 22% of the total issued share capital of One Organisation Limited, respectively.

To mitigate any conflicts of interests that may arise between Crane Medical and our Group, each of Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong and Aathar Ah Kong Andrew has undertaken, pursuant to a deed of undertaking dated 8 April 2008, that, for as long as he remains (i) a Director of our Company; and/or (ii) a Shareholder with an interest of 5% or more (whether direct or indirect) in the voting Shares of our Company:

(a) he will not be involved in any decision making in Crane Medical or any of its related companies that will put him in a position of conflict with respect to his duties and responsibilities in any of our Group companies;

(b) if necessary, he will abstain, whether as a Director or Shareholder of our Company, from being involved in deliberating or voting on matters which he may be in a position of conflict by reason of his directorship and/or shareholding interest in Crane Medical; and

(c) if necessary, he will abstain, whether as a director or shareholder of Crane Medical, from being involved in deliberating or voting on matters which he may be in a position of conflict by reason of his directorship and/or shareholding interest in our Group.

In addition, Crane Medical has also undertaken, pursuant to a confidentiality deed dated 18 March 2008, that:

(a) unless our Company consents in writing, Crane Medical shall not directly or indirectly disclose to any person, firm or company or use any confidential business information of our Company or any related company.

(b) Crane Medical shall not without the prior written consent of our Company for the period from the date of the deed till the date on which the Directors and Substantial Shareholders cease to be the directors and substantial shareholders of Crane Medical either solely or jointly with or on behalf of any other person directly or indirectly carry on or be engaged or interested (except as the holder, for investment, of securities dealt in on a recognised stock exchange):

  (i) in any business which competes with the businesses of our Company or any related company in Singapore and the PRC;

  (ii) solicit the custom of any person who is or has been at any time a customer of the businesses of our Company or any related company in Singapore or the PRC for the purpose of offering to that person goods or services similar to or in competition with those businesses; and

  (iii) solicit or entice away, or endeavour to solicit or entice away, any employee of our Company or any related company.

(c) Crane Medical shall not without the prior written consent of our Company for the period from the date of the deed till the date on which the Directors and Substantial Shareholders cease to be the directors and substantial shareholders of Crane Medical either solely or jointly with or on behalf of any other person directly or indirectly carry on or be engaged or interested (except as the holder, for investment, of securities dealt in on a recognised stock exchange) or deal or have any dealings in any way whatsoever with any person or company which:

  (i) competes with the businesses of our Company or any related company in Singapore and the PRC;

  (i) solicit in Singapore and the PRC the custom of any person who is or has been at any time a customer of the businesses of our Company or any related company for the purpose of offering to that person goods or services similar to or in competition with those of the businesses of our Company or any related company; and

  (iii) solicit or entice away, or endeavour to solicit or entice away, any employee of our Company or any related company.

(d) Crane Medical shall not cause or permit any person directly or indirectly under its control or its directors, employees or shareholders to do any of the acts or things specified above.

On 26 May 2008, One Organisation and Dr Wong Weng Hong have also undertaken to dispose of their entire interest in Crane Medical within one year from the Invitation in connection with the admission of our Company to the Catalist and to give our Company the first right of refusal to acquire Crane Medical from them at a price to be agreed between the parties. If the parties fail to agree to a price, the price shall be determined by a valuer of international repute nominated by our Company.

Save as disclosed above and in the sections entitled "Interested Person Transactions" and "Restructuring Exercise" of this Offer Document, none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect in the following:

(a) any transactions to which our Company was or is to be a party;

(b) any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and

(c) any company that is our customer or supplier of goods and services.

Interests of Experts

No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or any of its subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or any of its subsidiaries.

No expert is employed on a contingent basis by our Company or any of our subsidiaries; or has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

Interests of Underwriters or Financial Advisers

In the reasonable opinion of our Directors, the Manager and Sponsor, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled "General and Statutory Information – Management, Underwriting and Placement Arrangements" of this Offer Document:

(a) PPCF is the Manager and Sponsor of the Invitation; and

(b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on the Catalist.

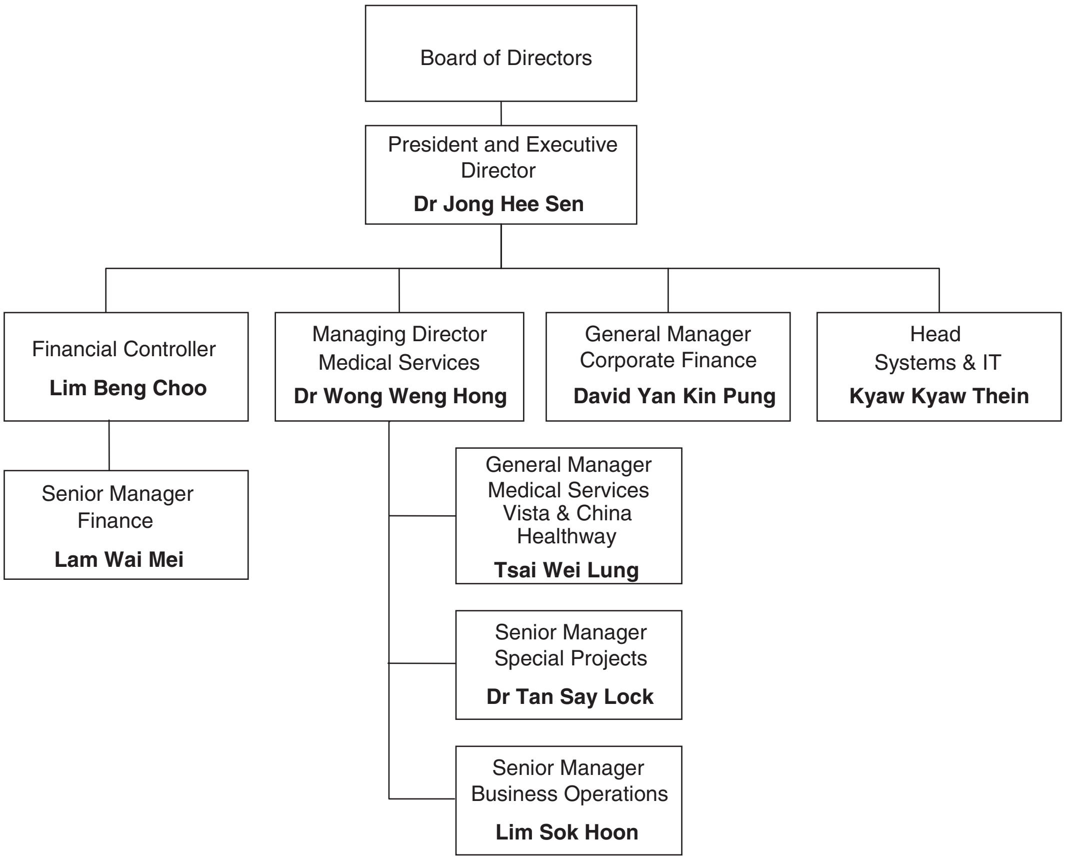
In the reasonable opinion of our Directors, the Underwriter and Placement Agent, UOBKH, does not have a material relationship with our Company save as disclosed below and in the section entitled "General and Statutory Information – Management, Underwriting and Placement Arrangements" of this Offer Document:

(a) UOBKH is the Underwriter for the Invitation; and

(b) UOBKH is the Placement Agent for the Invitation.

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars are listed below:

Name	Age	Address	Proposed Position
Fan Kow Hin	52	50 Sunrise Terrace Sunrise Villa Singapore 806369	Executive Chairman
Dr Jong Hee Sen	48	1B Pine Grove #07-07 Pine Grove Singapore 591001	President and Executive Director
Dr Wong Weng Hong	44	29 Portchester Avenue Serangoon Garden Estate Singapore 556311	Managing Director, Medical Services
Siew Teng Kean	49	138 King's Road #03-02 Charming Garden Singapore 268156	Independent Director
Png Paak Liang, Ivan	51	363 Holland Road Unit 0105 Allsworth Park Singapore 278638	Independent Director
Arthur Raymond Ouellette	67	One 15 Marina 11 Cove Drive Sentosa Cove Singapore 098497	Independent Director
Kuek Chiew Hia	48	15 Sunbird Avenue Singapore 487336	Independent Director

Save as disclosed in the section entitled "Shareholders" of this Offer Document, none of our Directors is related by blood or marriage to one another, our Executive Officers or to our Substantial Shareholders.

The working, business experience and areas of responsibility of our Directors are set out below:

Fan Kow Hin was appointed as our Director on incorporation and is our Executive Chairman, primarily responsible for providing strategic direction to the Company. From 1991 to 2000, he was with DBS Land Ltd where he was responsible for business development and asset management in the areas of real estate, hospitality and healthcare and from 1995, holding the position of General Manager. Mr Fan was also a member of the DBS Land Executive Committee from 1996 to 2000. From 2000 to 2002, Mr Fan was a director and CEO of UniG Pte Ltd, a technology company. He has been an executive director of Universal Gateway International Pte Ltd, a company providing real estate and information technology services, since 2003, as well as the Executive Chairman of UH since 2005. Mr Fan has a Bachelor of Commerce & Administration from the University of Wellington, New Zealand, and attended the INSEAD Executive Program in 1983. He is also a qualified Chartered Accountant with the New Zealand Institute of Chartered Accountants, a qualified Chartered Secretary with the Institute of Chartered Secretaries and Administrators (UK) and a non-practising Certified Public Accountant with the Institute of Certified Public Accountants of Singapore.

Dr Jong Hee Sen was appointed as our Director on incorporation and is our President and Executive Director, primarily responsible for the steering of the healthcare efforts and the overall strategic planning of our Group and overseas expansion. Prior to joining us, Dr Jong held senior management positions in government and private firms. From 1996 to 2000, he was with GIC Real Estate Pte Ltd and was responsible for real estate investments and fund management in Asia markets. Dr Jong went on to join UniG Pte Ltd in 2000, a company providing real estate and information technology services, as its Vice

President of Strategic Alliances, where he created technology services products until 2002. He is currently the owner and executive director of Universal Gateway International Pte. Ltd. in charge of technology development, the president and executive director of UH in charge of business development and overseas expansion and the president and executive director of HMS, having taken up each of these appointments in 2002, 2005 and 2007 respectively. Dr Jong holds a Doctor of Philosophy in Business Administration and a Master of Science (Psychology) from the University of Michigan, Ann Arbor, USA, a Master of Business Administration from the University of Wisconsin, Madison, USA and a Bachelor of Science from the National University of Singapore.

Dr Wong Weng Hong was appointed as our Director on incorporation and is our Managing Director, Medical Services. He leads all our healthcare operations while providing leadership in strategic planning and direction to our management team on company policy. He was one of the original principals of Healthway Medical Group, Singapore in 1991 and served as its Medical Director from 1994 to 2003. Dr Wong has been the CEO of HMG since 2002 and was appointed as its Managing Director, Medical Services in 2007. Dr Wong has a Bachelor of Medicine and a Bachelor of Surgery from the National University of Singapore and a Master of Business Administration from the Macquarie Graduate School of Management, Australia.

Siew Teng Kean is our Independent Director and was appointed on 3 April 2008. From 1998 to 2006, Mr Siew was with Temasek Holdings (Private) Limited in the area of private equity and funds investments, and from 2002, holding the title of Managing Director. He joined UOB Asset Management Ltd in October 2006 as Senior Director, Head of Business Development for Alternative Investments and has been their Senior Director, Head of Institutional Business since April 2007. Mr Siew holds a Master's degree in Computer Science & Engineering from the University of Michigan, Ann Arbor, USA, a Master's degree in Science from the National University of Singapore and a Bachelor's degree in Electrical Engineering from the University of Adelaide, Australia.

Png Paak Liang, Ivan is our Independent Director and was appointed on 3 April 2008. Mr Png has been a Professor in the Departments of Information Systems, Business Policy and Economics at the National University of Singapore since 1996, 2001 and 2006, respectively. He was previously a faculty member at the University of California, Los Angeles and Hong Kong University of Science and Technology. From 2003 to 2006, Mr Png was the owner of Economic Analysis Associates, a consultancy company and was a partner of Economic Analysis Associates, LLP from 2006 to 2007 when the company became a partnership. From 2005 to 2006, Mr Png was a Nominated Member of the Parliament of Singapore. Since 2006, he has also been a member of the Trustworthy Computing Academic Advisory Board of Microsoft Corporation. Mr Png is currently an independent director of Hartford Education Corporation Ltd and Hyflux Water Trust Management Pte Ltd. Mr Png holds a Doctor of Philosophy in Business from Stanford University, USA and a Bachelor of Arts (1st class honours) in Economics from Cambridge University, UK.

Arthur Raymond Ouellette is our Independent Director and was appointed on 3 April 2008. From 1987 to 1991, he was the CEO of the Singapore General Hospital. In 1991, he left the Singapore General Hospital to set up Terry L. Schmidt & Associates, a company in the business of physician group management, where he was a co-owner until 1997. From 1997 to 2002, Mr Ouellette was the CEO of Premier Healthcare Services International Pte Ltd, a company involved in the business of Hospital Management. In 2002, he joined CapitaLand Ltd as Vice President. In the same year, Mr Ouellette joined Healthcare Management International Limited, a company involved in healthcare management and education, where he served as CEO until 2005. Since 2005 Mr Ouellette has been the general manager of Artro Pte. Ltd., a healthcare consulting company. Mr Ouellette holds a Master's degree in Health Administration from the George Washington University, Washington, DC, USA and a Bachelor's degree in Science from Boston University, Boston, Massachusetts, USA.

Kuek Chiew Hia is our Independent Director and was appointed on 3 April 2008. From 1997 to 1998, she was the Human Resource Director (Asia Pacific) of Avid Technology Inc., a software company. In 1998, she joined Citibank NA as its Human Resource Director (Asia Pacific – Operations & Technology). Ms Kuek left Citibank NA in 2003 to join Standard Chartered Bank as its Global Head of Organisation Effectiveness (Wholesale Bank). From 2005 to 2007, she was the Group Human Resource Director of Asia Pacific Breweries Ltd, before joining Kwong Wai Shiu Hospital as its Human Resource Advisor in September 2007 on a part-time basis. Ms Kuek holds a Bachelor's degree in Business Administration from Royal Melbourne Institute of Technology.

None of our Directors has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers pursuant to which such person was appointed as a director of our Company.

Our Directors have the appropriate expertise to act as directors of our Company, as evidenced by their business and working experience set out above. Siew Teng Kean and Png Paak Liang, Ivan are also directors of other public listed companies in Singapore and therefore have the appropriate experience to act as directors of our Company and are familiar with the roles and responsibilities of a director of a public listed company in Singapore.

We will arrange for Fan Kow Hin, Dr Jong Hee Sen, Dr Wong Weng Hong, Arthur Raymond Ouellette and Kuek Chiew Hia to attend the relevant training to update them on the roles and responsibilities of a director of a public listed company in Singapore.

The list of present and past directorships of each Director over the last five years excluding those held in our Company, is set out below:

Name	Present directorships	Past directorships
Fan Kow Hin	Group Companies Aaron CTP Dental Surgery Pte. Ltd. Aaron Dentalcare Pte. Ltd. Aaron Seow International Pte Ltd BCNG Holdings Pte. Ltd. CLAAS Medical Centre Pte. Ltd. China Healthway Pte. Ltd. Healthway Medical Enterprises Pte Ltd Healthway Medical Group Pte Ltd Peace Family Clinic and Surgery (AMK) Pte. Ltd. Peace Family Clinic and Surgery (Anchorvale) Pte. Ltd. Peace Family Clinic and Surgery (Sembawang) Pte. Ltd. Picton Medical Centre Pte. Ltd. Popular Dental (CCK) Pte. Ltd. Popular Dental (Woodlands) Pte. Ltd. Silver Cross 21 Pte. Ltd. Silver Cross 24hrs Pte Ltd Silver Cross AC Pte. Ltd. Silver Cross Healthcare Pte Ltd Silver Cross Medical Centre Pte Ltd Silver Cross North Pte Ltd Thomson Paediatric Clinic Pte Ltd Unimedic Pte. Ltd. Universal Dentalcare Pte Ltd Universal Dental Group (Braddell) Pte. Ltd. Universal Dental Group (Woodlands) Pte. Ltd. Vista Medicare Pte. Ltd.	Group Companies Nil

Name	Present directorships	Past directorships
	Other Companies Construction Exchange Pte Ltd Construction Exchange (Singapore) Pte Ltd Universal Gateway International Pte. Ltd. Universal Capital Partners Pte. Ltd. Universal Healthway Pte. Ltd. World Health Pte. Ltd. YHS-Ecom Pte Ltd	Other Companies Alverton International Pte Ltd Buildfolio Asia Pte Ltd Crane Medical Pte. Ltd. Fresco Investment Pte Ltd SGT Asia Pacific Pte Ltd (dissolved under compulsory winding-up) Supertek Systems Pte Ltd (dissolved under voluntary winding up) Tri-Global Security Pte. Ltd. UniG Pte Ltd (dissolved under compulsory winding up) Yeo Hiap Seng Ltd
Dr Jong Hee Sen	Group Companies China Healthway Pte. Ltd. Healthway Medical Enterprises Pte Ltd Healthway Medical Group Pte Ltd Unimedic Pte. Ltd. Vista Medicare Pte. Ltd.	Group Companies Nil
	Other Companies 1Property Pte. Ltd. 8Applesmall Pte Ltd Construction Exchange Pte Ltd Core-link Pte Ltd Melana International Pte Ltd Octastar Pte. Ltd. UG Singapore Private Limited UG Tech Pte. Ltd. Unilink Innovations Pte Ltd Universal Capital Partners Pte. Ltd. Universal Gateway International Pte. Ltd. Universal Healthway Pte. Ltd. World Health Pte. Ltd.	Other Companies Alverton International Pte Ltd Buildfolio Asia Pte Ltd Crane Medical Pte. Ltd. Turnpike International Pte Ltd
Dr Wong Weng Hong	Group Companies Aaron CTP Dental Surgery Pte. Ltd. Aaron Dentalcare Pte. Ltd. Aaron Seow International Pte Ltd BCNG Holdings Pte. Ltd. CLAAS Medical Centre Pte. Ltd. China Healthway Pte. Ltd. Island Orthopaedic Consultants Holdings Pte. Ltd. Island Orthopaedic Consultants Pte Ltd Peace Family Clinic and Surgery (AMK) Pte. Ltd. Peace Family Clinic and Surgery (Anchorvale) Pte. Ltd. Peace Family Clinic and Surgery (Sembawang) Pte. Ltd. Picton Medical Centre Pte. Ltd.	Group Companies Healthway Medical Enterprises Pte Ltd Healthway Medical Group Pte Ltd

Name	Present directorships	Past directorships
	Popular Dental (CCK) Pte. Ltd. Popular Dental (Woodlands) Pte. Ltd. SBCC Clinic Pte Ltd Silver Cross 21 Pte. Ltd. Silver Cross 24hrs Pte Ltd Silver Cross AC Pte. Ltd. Silver Cross Healthcare Pte Ltd Silver Cross Medical Centre Pte Ltd Silver Cross North Pte Ltd Unimedic Pte. Ltd. Universal Dentalcare Pte Ltd Universal Dental Group (Braddell) Pte. Ltd. Universal Dental Group (Woodlands) Pte. Ltd.	
	<u>Other Companies</u> Crane Medical Pte. Ltd. Universal Healthway Pte. Ltd. World Health Pte. Ltd.	<u>Other Companies</u> Nil
Siew Teng Kean	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Mediacorp Pte. Ltd. NTI International Limited	<u>Other Companies</u> ASprecise Pte Ltd Sembcorp Gas Pte Ltd Silicon Illusions Pte Ltd Soma Networks Inc. Universal Healthway Pte. Ltd. Vasunas Pte Ltd
Png Paak Liang, Ivan	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Hartford Education Corporation Limited Hyflux Water Trust Management Pte Ltd	<u>Other Companies</u> Universal Gateway International Pte. Ltd.
Arthur Raymond Ouellette	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Artro Private Limited	<u>Other Companies</u> Health Management International Ltd HMI Education Pte. Ltd. Mahkota Medical Centre Sdn Bhd
Kuek Chiew Hia	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Lincoln Green Pte Ltd	<u>Other Companies</u> Cambodia Breweries Ltd

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Directors who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Proposed Position
David Yan Kin Pung	47	Blk 267 Toh Guan Road #20-09 Singapore 600267	General Manager, Corporate Finance
Tsai Wei Lung	43	Blk 57 Cairnhill Road #14-03 Singapore 229668	General Manager, Medical Services, Vista & China Healthway
Lim Beng Choo	39	Blk 137 Rivervale Street #09-746 Singapore 540137	Financial Controller
Lam Wai Mei	32	Blk 409A Fernvale Road #19-38 Singapore 791409	Senior Manager, Finance
Kyaw Kyaw Thein	42	Blk 154 Ang Mo Kio Ave 5 #10-3114 Singapore 560154	Head, Systems & IT
Lim Sok Hoon	35	Blk 715 Jurong West Street 71 #10-61 Singapore 640715	Senior Manager, Business Operations
Dr Tan Say Lock	30	Blk 148 Hougang St 11 #10-110 Singapore 530148	Senior Manager, Special Projects

None of our Executive Officers is related by blood or marriage to one another, our Directors or to our Substantial Shareholders.

The working, business experience and areas of responsibility of our Executive Officers are set out below:

David Yan Kin Pung is our General Manager, Corporate Finance and is responsible for corporate funding, financial risk management, corporate strategy planning and investments. From 1989 to 2000, Mr Yan was the Finance Director at Markono Holdings Pte Ltd. He joined Continental Chemical Corporation Pte Ltd as its chief financial officer in 2000 before joining our Company as the Head of Accounting & Finance in May 2007. Mr Yan holds a Master of Professional Accounting from the University of Southern Queensland, Australia, and a Bachelor of Business Administration from the National University of Singapore. He has also completed the Certified Public Accountant programme with CPA Australia.

Tsai Wei Lung is our General Manager, Medical Services, Vista & China Healthway and is in charge of business operations, marketing and implementation of our regional expansion. From 1991 to 2000, Mr Tsai was the Vice President of TECH Semiconductor Singapore Pte. Ltd. and was a Director of International Rectifier Corporation from 2000 to 2004. In 2004, he joined China Wheel Co., Ltd as its Vice President and Chief of Operations before joining our Company in October 2007. Mr Tsai has a Bachelor of Science from the University of California, a Master of Science from Texas A&M University and a General Manager Program certificate from Harvard Business School.

Lim Beng Choo is our Financial Controller and is in charge of finance and accounting, billing operations as well as cash flow management and budgetary and internal controls. Between 1988 to 1994, Ms Lim held audit positions in various public accounting firms. From 1994 to 1998, she was the Financial Controller of Unistar Industries Pte. Ltd. In 1999, Ms Lim joined Scandinavia Warehouses Pte Ltd as its Financial Controller, before leaving in 2000 to be an accountant in San's Tours & Car Rentals. From 2003 to 2007, Ms Lim was the Group Financial Controller of Cityneon Holdings Limited. Prior to joining our Company in March 2008, she was the Financial Controller of Mount Faber Leisure Group Pte. Ltd. Ms Lim completed her "A" levels as well as the final examination of the Association of Chartered Certified Accountants. She is currently a Certified Public Accountant with the Institute of Certified Public Accountants of Singapore.

Lam Wai Mei is our Senior Manager, Finance and is responsible for corporate reporting, management information and business review and analysis. From 1995 to 1999, Ms Lam was an accountant with Evertronics (S) Pte Ltd before she joined Hua Liong Engineering and Construction Pte Ltd as its Financial Controller from 1999 to 2006. In 2006, she was the Finance Manager in Metal Component Engineering Limited until she joined our Company in July 2007. Ms Lam has a Diploma in Business Administration from the University of Oxford, a Higher Diploma in Accountancy and an Advanced Diploma in Accountancy from NCC Education, and an Honours Degree in Accountancy Studies from the University of Portsmouth.

Kyaw Kyaw Thein is our Head, Systems & IT and is in charge of implementing and upgrading our information technology and systems. From 1989 to 2001, he was a System Engineer at the University of Computer Studies (Yangon), Myanmar. In 2001, he became the Regional MIS Manager of Kim Koon Garment Industries Pte Ltd before joining UG Singapore Pte Ltd, a digital security system service provider, in 2006 as System Manager. Mr Thein joined HMS as Systems & IT Manager in 2007. He holds a Master of Applied Science in Computer Engineering from the University of Computer Studies (Yangon), Myanmar, a Diploma of Computer Science from the Institute of Computer Science and Technology, Myanmar and a Bachelor of Science in Physics from the University of Yangon, Myanmar.

Lim Sok Hoon is our Senior Manager, Business Operations and is in charge of the overall management of drug inventory and procurement as well as responsible for working with the various medical practice groups in the implementation of their business programmes. From 1996 to 2003, she was a Senior Pharmacist at the National University Hospital. Ms Lim joined HMG in 2003 as its Purchasing Manager, where she has been in charge of the acquisition of pharmaceuticals. Ms Lim holds a Master of Science in Clinical Pharmacy and a Bachelor of Science in Pharmacy from the National University of Singapore.

Dr Tan Say Lock is our Senior Manager, Special Projects and is in charge of overseeing any special projects undertaken by our Group, such as identifying new business areas and the integration of the operations of the Acquired Entities with the operations of our Group. Dr Tan started his career as a House Officer with Singapore Health Services in 2001. He has also worked in several private practice family medicine clinics in Singapore. He was a doctor with HMG from 2006 to 2007 and was appointed Senior Manager of Unimedic in 2007, before assuming his current position in 2008. Dr Tan holds a Bachelor of Medicine and a Bachelor of Surgery from the National University of Singapore.

None of our Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers pursuant to which such person was appointed as an Executive Officer of our Company.

The list of present and past directorships of each Executive Officer over the last five years excluding those held in our Company, is set out below:

Name	Present directorships	Past directorships
David Yan Kin Pung	<u>Group Companies</u> Nil <u>Other Companies</u> Nil	<u>Group Companies</u> Nil <u>Other Companies</u> Continental Bioenergy Singapore Pte. Ltd. Continental Petrochemicals (Singapore) Pte Ltd Continental Research & Development Pte Ltd
Tsai Wei Lung	<u>Group Companies</u> Nil <u>Other Companies</u> Cielo Technologies Pte. Ltd.	<u>Group Companies</u> Nil <u>Other Companies</u> China Wheel Co., Ltd

Name	Present directorships	Past directorships
Lim Beng Choo	Group Companies Nil Other Companies Nil	Group Companies Nil Other Companies Nil
Lam Wai Mei	Group Companies Nil Other Companies Nil	Group Companies Nil Other Companies Nil
Kyaw Kyaw Thein	Group Companies Nil Other Companies Nil	Group Companies Nil Other Companies Nil
Lim Sok Hoon	Group Companies Nil Other Companies Nil	Group Companies Nil Other Companies Nil
Dr Tan Say Lock	Group Companies Nil Other Companies Nil	Group Companies Nil Other Companies Nil

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration (including bonus, contributions to CPF, directors' fees and benefits-in-kind) paid or payable to our Directors and Executive Officers on a proforma basis and in remuneration bands for FY2006 and FY2007, and the estimated remuneration (excluding bonus, contributions to CPF, directors' fees and benefits-in-kind) payable to them on a proforma basis and in remuneration bands for FY2008 are as follows:

	FY2006	FY2007	FY2008 (Estimated)
Directors			
Fan Kow Hin	–	–	A
Dr Jong Hee Sen	–	A	A
Dr Wong Weng Hong	B	B	B
Siew Teng Kean	–	–	A
Png Paak Liang, Ivan	–	–	A
Arthur Raymond Ouellette	–	–	A
Kuek Chiew Hia	–	–	A
Executive Officers			
David Yan Kin Pung	–	A	A
Tsai Wei Lung	–	A	A
Lim Beng Choo	–	–	A
Lam Wai Mei	–	A	A
Kyaw Kyaw Thein	–	A	A
Lim Sok Hoon	A	A	A
Dr Tan Say Lock	A	B	B

Notes:

Band A: compensation of between $0 to $249,999 per annum

Band B: compensation of between $250,000 to $499,999 per annum

EMPLOYEES

As at the Latest Practicable Date, we have 454 full-time employees. A breakdown of our full-time staff employees by business function is as follows:

Segmented by Function	FY2005	FY2006	FY2007	As at the Latest Practicable Date
Management	3	5	8	9
Professional medical staff	102	115	126	132
Medical support staff	218	246	259	256
Office staff	26	30	48	57
Total	**349**	**396**	**441**	**454**

The growth in our staff strength is in line with the growth in our Company's operations for FY2005, FY2006 and FY2007.

All our employees are based in Singapore. We do not employ a significant number of temporary employees.

None of our employees are unionised. The relationship and co-operation between our management and staff is good and this is expected to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

The number of full-time staff that we employ is not subject to any significant seasonal fluctuation.

Pension or retirement benefits

Other than amounts set aside or accrued in respect of mandatory employee funds, no amounts have been set aside or accrued by our Company or subsidiaries to provide pension, retirement or similar benefits to our employees.

SERVICE AGREEMENTS

On 15 April 2008, our Company entered into separate Service Agreements with Fan Kow Hin, Dr Jong Hee Sen and Dr Wong Weng Hong under which they were appointed our Executive Chairman, President and Executive Director, and Managing Director, Medical Services, respectively (each an "Appointee").

The Service Agreements are valid for an initial period of three years and thereafter shall be renewed for a further period of three years with the mutual consent of our Company and the respective Appointee. Our Company or the Appointee may at any time terminate the Service Agreement by giving six months' written notice of termination to the other party, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Appointee's last drawn monthly salary. The Appointee shall be paid his salary and profit-sharing incentive (if any) accrued to the date of termination, but he shall not be entitled to any other payment or compensation whatsoever in respect of such termination if the employment is terminated in accordance with the terms of the Service Agreement.

In addition, we may also terminate the Service Agreement without notice or payment in lieu of notice in the event that the Appointee is guilty of any gross default or grave misconduct in connection with or affecting the business of our Company, guilty of unlawful neglect in the discharge of duties, becomes bankrupt, acts in the prejudice of our Group or becomes of unsound mind.

Under the terms of the Service Agreements, Fan Kow Hin, Dr Jong Hee Sen and Dr Wong Weng Hong will be paid a monthly base salary of $10,000, $17,000 and $21,400 respectively. In addition to the foregoing, each Appointee shall be entitled to the following in respect of each financial year:

(i) a guaranteed annual wage supplement of one month's basic salary; and

(ii) an incentive bonus to be decided by our Board or our Remuneration Committee.

Under the Service Agreements, Fan Kow Hin is entitled to a car allowance and entertainment allowance, and Dr Wong Weng Hong is entitled to a transport allowance. Each of the Appointees is subject to non-competition and non-solicitation restrictions during the term of his employment and for a period of 12 months after the termination of his employment.

Our Company has also previously entered into various letters of employment with all the Executive Officers. Such letters typically provide for the salary payable to the Executive Officers, their appointment and duties, working hours, benefits, grounds of termination and certain restrictive covenants.

Save for the Service Agreements, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors. Save as disclosed above, there are no existing or proposed service contracts between our Directors or our Executive Officers and our Company or our Subsidiaries.

Had the Service Agreements mentioned above been in place for FY2007, the aggregate remuneration (including contributions to the CPF and other benefits if any) paid or provided to our Executive Directors would have been approximately $0.75 million instead of $0.42 million and the unaudited proforma profit before income tax would be approximately $19.73 million instead of $20.06 million.

The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders of our Company.

Our Board has formed four committees: (i) the Audit Committee; (ii) the Executive Committee; (iii) the Nominating Committee; and (iv) the Remuneration Committee, as detailed below:

Audit Committee

Our Audit Committee will comprise Siew Teng Kean, Arthur Raymond Ouellette and Kuek Chiew Hia. The Chairman of our Audit Committee will be Siew Teng Kean.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will also provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

In particular, our Audit Committee will meet at least quarterly to discuss and review the following where applicable:

(a) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;

(b) review the quarterly and annual financial statements and balance sheet and profit and loss accounts before submission to the new Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(c) review the internal control procedures and ensure co-ordination between the external auditors and our management, and review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);

(d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;

(e) consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

(f) review interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) undertake such other reviews and projects as may be requested by our Board, and will report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and

(h) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

In addition, all future transactions with related parties shall comply with the requirements of the Catalist Rules. Our Directors shall abstain from voting in any contract or arrangement or proposed contract or proposed arrangement in which he has a personal material interest.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position.

Executive Committee

Our Executive Committee will comprise Fan Kow Hin, Dr Jong Hee Sen, Siew Teng Kean and Dr Wong Weng Hong. The Chairman of our Executive Committee will be Fan Kow Hin.

Our Executive Committee will assist our Board to conduct and supervise the business of our Group. Our Executive Committee will be responsible for:

(a) providing overall strategic direction to our Board and guiding development policies and strategies for our Group;

(b) reviewing and approving business transactions recommended by the President and Executive Director of our Group subject to a limit of $5 million per transaction;

(c) reviewing and approving major business transactions for our Board's approval, wherever required;

(d) reviewing and monitoring the financial performance and progress of our Group; and

(e) overseeing specific matters and/or projects as delegated by our Board from time to time.

Nominating Committee

Our Nominating Committee will comprise Png Paak Liang, Ivan, Fan Kow Hin and Siew Teng Kean. The Chairman of our Nominating Committee will be Png Paak Liang, Ivan. Our Nominating Committee will be responsible for:

(a) re-nomination of our Directors having regard to the Director's contribution and performance;

(b) determining on an annual basis whether or not a Director is independent; and

(c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

Our Nominating Committee will decide on how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term Shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution by each individual Director to the effectiveness of our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of our Nominating Committee in respect of the assessment of his performance or re-nomination as Director.

Remuneration Committee

Our Remuneration Committee will comprise Arthur Raymond Ouellette, Kuek Chiew Hia and Png Paak Liang, Ivan. The Chairman of our Remuneration Committee will be Arthur Raymond Ouellette.

Our Remuneration Committee will be responsible for recommending to our Board a framework of remuneration for the Directors and Executive Officers, and determine specific remuneration packages for our Executive Chairman and each Executive Director. The recommendations of our Remuneration Committee will be submitted for approval by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. Each member of our Remuneration Committee shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of our Remuneration Committee in respect of his remuneration package.

Board Practices

Our Directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. One third (or the number nearest to a third) of our Directors are required to retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

The following statements are brief summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Articles of Association. These statements summarise the material provisions of our Articles but are qualified in entirety by reference to our Articles, a copy of which will be available for inspection at our offices during normal business hours for a period of six months from the date of the Registration.

Shares

As at the Latest Practicable Date, our issued share capital is $1,394.33 consisting of 1,393,333 ordinary shares ("Shares"). We have only one class of shares, namely, our Shares, which have identical rights in all respects and rank equally with one another. Our Articles provide that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations. Our Shares do not have a par value.

As at the date of this Offer Document, 1,259,500,000 Shares have been issued and fully paid. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the listing rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the then existing Shareholders of our Company shall not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being. The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted unless otherwise revoked or varied by shareholders in a general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Directors who may allot and issue the same with such rights and restrictions as they may think fit.

Shareholders

Only persons who are registered on our register of shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognize any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the depository register for that Share. We may close our register of shareholders for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days' notice and the SGX-ST at least 10 clear market days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register to determine our Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the listing rules or the rules or by-laws of the SGX-ST. Our Directors may decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if we are properly notified and the applicant pays a fee which will not exceed $2 and furnishes any evidence and indemnity that our Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if our Shareholders representing not less than 10% of the total voting rights of all our Shareholders, request in writing that such a meeting be held. In addition, two or more of our Shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Memorandum and Articles of Association, a change of our corporate name and a reduction in our share capital or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our ordinary Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds ordinary Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the Chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. See the section entitled, "Bonus and Rights Issue" below. All dividends are paid pro-rata amongst our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or monies carried and standing to any reserve) and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to other Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Takeovers

Under the Singapore Code on Take-overs and Mergers (the "Take-over Code") issued by the Authority pursuant to Section 321 of the Securities and Futures Act, any person acquiring an interest, either on his own or together with persons acting in concert with him, in 30% or more of our voting shares must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with persons acting or presumed to be acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any six-month period.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in "Voting Rights" and "Takeovers" above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident shareholders to hold or vote ordinary Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

(a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the Shareholders; or

(b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the relief they may grant and such relief is in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

(a) direct or prohibit any act or cancel or vary any transaction or resolution;

(b) regulate the conduct of our affairs in the future;

(c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;

(d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our Share capital;

(e) in the case of a purchase of Shares by the Company, provide for a reduction accordingly of the Company's capital; or

(f) provide that we be wound up.

Treasury Shares

Our Articles of Association expressly permits our Company to purchase or acquire shares or stocks of our Company and to hold such shares or stocks (or any of them) as treasury shares in accordance with requirements of Section 76 of the Companies Act. Our Company may make a purchase or acquisition of our own shares (i) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our company in general meeting. The aggregate number of ordinary shares held as treasury shares shall not at any time exceed 10% of the total number of Shares of our Company at that time. Any excess shares shall be disposed or cancelled before the end of a period of six months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where ordinary shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made, to our Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the subdivision or consolidation of any treasury share into treasury share of a smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; or (iv) cancel the Shares (or any of them).

Singapore Taxation

The following is a discussion of certain tax matters arising under the current tax laws in Singapore on the tax consequences in relation to the purchase, ownership and disposal of the Shares. The discussion is based on current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice.

While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Offer Document, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such law, which may be retrospective, will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by Shareholders, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a Shareholder's decision with regard to the Invitation.

Shareholders should consult their own tax advisors regarding Singapore income tax and other consequences of owning and disposing of the Shares. It is emphasized that neither the Company, the Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate income tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- Income accrued in or derived from Singapore; and
- Foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign income in the form of branch profits, dividends and service fee income ("specified foreign income") received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore tax subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Normally, control and management of the company is vested in its board of directors and the place of residence of the company is where its directors meet.

The corporate tax rate in Singapore is 18% with effect from the Year of Assessment 2008 after allowing partial tax exemption on the first $300,000 of a company's chargeable income.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20%.

A non-Singapore tax resident individual is normally taxed at the tax rate of 20% except that Singapore employment income is taxed at a flat rate of 15% or at resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends. Dividends paid by our Company will be exempt from tax in the hands of Shareholders, regardless of the tax residence status or the legal form of the Shareholders. However, foreign Shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will ordinarily be taxed as income.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of $2.00 for every $1,000 or any part thereof, computed on the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Goods and Services Tax ("GST")

The sale of our Shares by an investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any input GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate duty

Singapore estate duty is imposed on the value of immovable property situated in Singapore owned by an individual who was at the time of death not domiciled in Singapore, subject to specific exemption limits. Movable assets of an individual who at the time of death was not domiciled in Singapore are exempt from estate duty irrespective of where such movable assets are located.

Singapore estate duty is imposed on the value of immovable property situated in Singapore and on movable property, wherever it may be situated, owned by an individual who was at the time of death domiciled in Singapore, subject to specific exemption limits.

Our Shares are considered to be movable property situated in Singapore as our Company is incorporated in Singapore with the share register maintained in Singapore. Accordingly, our Shares held by an individual domiciled in Singapore are subject to Singapore estate duty upon such individual's death. Singapore estate duty is payable to the extent that the value of our Shares aggregated with other dutiable assets exceeds $600,000. Unless other exemptions apply to other assets, for example, the separate exemption limit for residential properties, any excess beyond $600,000 will be taxed as follows:

First $12,000,000 ....5%

Excess over $12,000,000 ....10%

Notwithstanding the above, the Singapore Minister of Finance has, in his 2008 Budget Statement, announced that estate duty will be abolished. This applies to deaths occurring on or after 15 February 2008. The proposed change has yet to be promulgated as law.

Prospective purchasers of our Shares, who are individuals, whether or not domiciled in Singapore, should consult their own tax advisers regarding the Singapore estate duty consequences of their ownership of our Shares.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding the Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Catalist although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of $10.00 for each withdrawal of 1,000 Shares or less and a fee of $25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of $2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of $10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or $0.20 per $100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of $20.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the Catalist is payable at the rate of 0.05 per cent. of the transaction value subject to a maximum of $200.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore goods and services tax of 7% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Saved as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:

   (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction 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;

   (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction 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;

   (c) has any unsatisfied judgement against him;

   (d) 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;

   (e) 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;

   (f) has, at any time during the last 10 years, had judgement 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, nor has he 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;

   (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) 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;

   (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

   (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:

      (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

      (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;

      (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

(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,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Fan Kow Hin was the managing director of Quantum M & E Engineering Services Pte Ltd ("Quantum") when it was compulsorily wound up on 29 September 2000 due to it being unable to pay its debts. Quantum was a wholly-owned subsidiary of Quantum Systems Pte Ltd, ultimately owned by DBS Land Limited and was principally involved in the business of providing business management and consultancy services.

Fan Kow Hin was a non-executive director of SGT Asia Pacific Pte Ltd ("SGT") when it was compulsorily wound up on 22 January 1999. SGT was a joint venture between Quantum Systems Pte Ltd and other third parties and was principally involved in the business of the manufacture of glass and glass products (including yarn of glass fibres). In January 1999, SGT was wound-up by the majority shareholders due to it being unable to pay its debts. Fan Kow Hin was not involved in the day-to-day operations of SGT.

Fan Kow Hin was an executive director of UniG Pte Ltd ("UniG") and had an interest in approximately 3.6% of the capital of UniG when it was compulsorily wound-up on 7 February 2003. The majority shareholders of UniG were Emphire Investments Limited and Minard Investment Limited and UniG was principally involved in the business of an investment holding company. Unig was wound-up due to it being unable to pay its debts.

On 17 December 2007, Siew Teng Kean received a supervisory warning from the MAS for lateness in informing the MAS of change of personal particulars of a holder of a Capital Market Services Representative Licence for Fund Management within the stipulated 14 days. The MAS did not impose any penalties and the relevant particulars have been updated with the MAS on 23 October 2007.

2. There is no shareholding qualification for Directors under the Articles of Association of our Company.

3. No option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any of our Directors or Executive Officers within the last financial year.

4. Save as disclosed in the section entitled "Interested Person Transactions" of this Offer Document, none of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Offer Document, been acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries.

5. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in the Articles of Association of our Company.

7. Save as disclosed below and in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there are no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three years preceding the Latest Practicable Date.

Date of issue	Number of Shares Issued	Issue Price / Consideration ($)	Purpose of Issue	Resultant Issued Share Capital ($)
Our Company				
16 May 2007	1	1	Subscriber share	1
25 May 2007	1,393,332	1,393.33	Allotment	1,394.33
BCNG				
10 February 2006	99,000	99,000	Allotment	100,000
China Healthway				
2 March 2007	2	4	Subscriber shares	4
CLAAS				
29 September 2005	450,000	450,000	Allotment	500,000
IOC				
12 May 2007	4	4	Allotment	200,004
Peace Family (Anchorvale)				
25 July 2007	1	1	Subscriber share	1
Peace Family (AMK)				
15 January 2008	1	1	Subscriber share	1
Peace Family (Sembawang)				
2 July 2007	1	1	Subscriber share	1
Picton				
15 July 2005	2	2	Subscriber shares	2
Popular (CCK)				
11 May 2007	24,000	24,000	Subscriber shares	24,000
Popular (Woodlands)				
28 September 2006	1	1	Subscriber share	1
27 November 2006	9,999	9,999	Allotment	10,000
Unimedic				
19 January 2006	2	2	Subscriber share	2
Universal (Braddell)				
28 June 2006	1	1	Subscriber share	1
8 September 2006	49,999	49,999	Allotment	50,000
Universal (Woodlands)				
28 July 2006	1	1	Subscriber share	1
12 September 2006	49,999	49,999	Allotment	50,000

8. Save as disclosed above and under the section entitled "Restructuring Exercise" of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the last three years preceding the date of lodgement of this Offer Document.

9. As at the Latest Practicable Date, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

MEMORANDUM AND ARTICLES OF ASSOCIATION

10. The nature of our Company's business has been stated earlier in this Offer Document. Our objects can be found in our Memorandum of Association which is available for inspection at our registered office in accordance with paragraph 33 in the section entitled "General and Statutory Information – Documents Available for Inspection" of this Offer Document.

    An extract of our Articles of Association relating to, *inter alia*, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in Appendix C of this Offer Document. The Articles of Association of our Company is available for inspection at our registered office in accordance with paragraph 33 in the section entitled "General and Statutory Information – Documents Available for Inspection" of this Offer Document.

MATERIAL CONTRACTS

11. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two years preceding the date of lodgement of this Offer Document and are or may be material:

    (a) Sale and Purchase Agreement dated 5 April 2007 entered into between Unimedic ("Purchaser") and Lee Wee & Wee Geok Chin Belinda Bridget ("Vendors"), pursuant to which the Purchaser acquired from the Vendors the entire issued and paid-up share capital of Picton in consideration for $925,000; and a First Supplemental Deed and a Second Tranche Agreement both dated 28 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement;

    (b) Sale and Purchase Agreement dated 11 April 2007 entered into between Unimedic ("Purchaser") and Wong Weng Hong, Soh Liang Joseph, Liew Kou Chuen, Tan Eng Choon Gerard, Tan Yi Ryh, Yang Cindy & Lim Wee How ("Vendors"), pursuant to which the Purchaser acquired from the Vendors 499,993 ordinary shares in the issued and paid-up capital of CLAAS in consideration for a net sum of $2,907,725; a First Supplemental Deed dated 28 May 2007 between the Purchaser, the Vendors, Healthgrowth Pte Ltd, CLAAS and BCNG and a Second Tranche Agreement dated 28 May 2007 entered into between Purchaser and the Vendors, both varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a Counter-Indemnity dated 28 May 2007 entered into between the Purchaser and the Vendors pursuant to the Sale and Purchase Agreement; and a letter dated 23 January 2008 between the Purchaser and the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement;

    (c) Sale and Purchase Agreement dated 30 April 2007 entered into between Unimedic ("Purchaser") and Seow Onn Choong & June Tan Siok Koon ("Vendors"), pursuant to which the Purchaser acquired from the Vendors the entire issued and paid-up capital of Aaron Seow and Aaron Dentalcare in consideration for $1,792,000.00; and a First Supplemental Deed and a Second Tranche Agreement both dated 28 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement;

(d) Co-operation Agreement dated 1 May 2007 entered into between Shanghai Kanglian Hospital Co. Ltd. ("Shanghai Kanglian") and China Healthway, pursuant to which China Healthway provides consultancy services at Shanghai Kanglian's outpatient clinic in consideration for, *inter alia*, a monthly consultancy fee of 95% of the total gross sales revenue of the outpatient clinic for that month;

(e) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Silver Cross Family Pte Ltd ("SCFPL"), Teo Yi Jin & Lai Tien Yew Jeffrey ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 10 ordinary shares in SC 21 ("Sale Shares"), representing SC 21's entire issued and paid-up capital in consideration for $3,421,910.80 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement; various letters dated 15 February 2008, 27 February 2008 and 29 February 2008 between Unimedic and each of SCFPL and the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(f) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Silver Cross Family Pte Ltd ("SCFPL"), Yeo Thoont Kiat & Yang Chyan Yeow Aylwin ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 100 ordinary shares in SC 24hrs ("Sale Shares"), representing SC 24hrs' entire issued and paid-up capital in consideration for $7,959,328 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement; various letters dated 26 February 2008 and 27 February 2008 between Unimedic and each of SCFPL and the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(g) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Silver Cross Holdings Pte Ltd ("SCHPL"), Ang Corey Damien and Chareonsri Apiwat ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 100 ordinary shares in SC AC ("Sale Shares"), representing SC AC's entire issued and paid-up capital in consideration for $4,734,169.20 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement;

various letters dated 25 February 2008 and 26 February 2008 between Unimedic and each of SCHPL and the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(h) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Boey Kok Hoe, Yee Jen Jet Michael, Soh Wah Ngee, Yang Chyan Han Jasper & Lim Wei Liang ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 5 ordinary shares in SC Healthcare ("Sale Shares"), representing SC Healthcare's entire issued and paid-up capital in consideration for $7,352,040 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement; various letters dated 26 February 2008, 27 February 2008 and 28 February 2008 between Unimedic and each of the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(i) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Boey Kok Hoe, Yee Jenn Jet Michael, Soh Wah Ngee & Yang Chyan Han Jasper ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 4 ordinary shares in SC Medical ("Sale Shares"), representing SC Medical's entire issued and paid-up capital in consideration for $5,476,000 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement; various letters dated 26 February 2008, 27 February 2008 and 28 February 2008 between Unimedic and each of the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(j) Sale and Purchase Agreement dated 4 May 2007 entered into between Unimedic ("Purchaser"), Silver Cross Family Pte Ltd ("SCFPL"), B Surendran and Chong Yan – Gerald Mark ("Vendors"), and Healthgrowth Pte Ltd ("Lender"), pursuant to which the Purchaser acquired from the Vendors 100 ordinary shares in SC North ("Sale Shares"), representing SC North's entire issued and paid-up capital in consideration for $2,286,592 and the Lender was to provide an interest-free loan to the Purchaser for part of the total sum paid for the Sale Shares; a First Supplemental Agreement and a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and releasing and discharging the Lender from its obligations under the Sale and Purchase Agreement; a side letter dated 29 May 2007 ("Side Letter") from Unimedic to SCFPL, SC24hrs, SC 21, SC Medical, SC Healthcare, SC North and SC AC relating to the Sale and Purchase Agreement; various letters dated 26 February 2008 and 27 February 2008 between Unimedic and each of SCFPL and the Vendors, varying and amending certain terms of the aforementioned Second Tranche Agreement; a Deed of Termination dated 29 May 2008 terminating the Side Letter; and a Variation Agreement dated 29 May 2008 between the Purchaser and the Vendors amending certain terms of the aforementioned Sale and Purchase Agreement and the Second Tranche Agreement;

(k) Sale of Business Agreement dated 5 May 2007 entered into between HMG and Philip Koh Kheng Keah ("Vendor"), pursuant to which HMG acquired 45% of the business of Healthway Tampines Clinic (Blk 710 Tampines St 71 #01-134 Singapore 520710) from the Vendor in consideration for $733,962; and a letter dated 3 January 2008 between HMG and the Vendor, varying and amending certain terms of the aforementioned Sale of Business Agreement;

(l) Sale of Business Agreement dated 8 May 2007 entered into between HME and Chia Hong Chye Vincent ("Vendor"), pursuant to which HME acquired 35% of the business of Healthway Sunshine Family Clinic (Blk 475 Choa Chu Kang Ave 3 #02-03 Sunshine Plaza Singapore 680475) from the Vendor in consideration for $402,885; and a letter dated 3 January 2008 between HME and the Vendor, varying and amending certain terms of the aforementioned Sale of Business Agreement;

(m) Agreement dated 15 May 2007 entered into between BCNG and AHA Laser Centre Pte Ltd ("AHA"), pursuant to which the sale of assets by BCNG to AHA on 2 May 2007 for a consideration of $105,132.52 was documented; and a Supplemental Agreement dated 24 May 2007 between BCNG and AHA, pursuant to which it was documented that the aforementioned sale was effective on 1 January 2007;

(n) Sale of Business Agreement dated 18 May 2007 entered into between Unimedic and Hing Siong Chen & Krishnaswamy Ram Nath ("Vendors"), pursuant to which Unimedic acquired from the Vendors the business of Peace Family Clinic and Surgery (Blk 452 Ang Mo Kio Ave 10 #01-1787 Singapore 560452) in consideration for $4.33 million; a Completion Agreement dated 28 May 2007 entered into between the aforementioned parties in respect of the aforementioned Sale of Business Agreement; a First Supplemental Agreement dated 28 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale of Business Agreement; and a Deed of Guarantee dated 28 May 2007 between HMS (as guarantor) and the Vendors pursuant to which HMS guaranteed the due performance of Unimedic under the Sale of Business Agreement;

(o) Sale of Business Agreement dated 18 May 2007 entered into between Unimedic and Hing Siong Chen, Lam Wai Khin & Krishnaswamy Ram Nath ("Vendors"), pursuant to which Unimedic acquired from the Vendors the business of Peace Family Clinic and Surgery (Blk 406 Sembawang Drive #01-820 Singapore 750406) in consideration for $520,000; a Completion Agreement dated 28 May 2007 entered into between the aforementioned parties in respect of the aforementioned Sale of Business Agreement; a First Supplemental Agreement dated 28 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale of Business Agreement; a Letter of Undertaking and Indemnity dated 28 May 2007 by Unimedic in respect of the Sale of Business Agreement; and a Deed of Guarantee dated 28 May 2007 between HMS (as guarantor) and the Vendors pursuant to which HMS guaranteed the due performance of Unimedic under the Sale of Business Agreement;

(p) Sale of Business Agreement dated 18 May 2007 entered into between Unimedic and Hing Siong Chen, Lam Wai Khin, Ooi Ee Sun, Toh Chan Keong (Du Zhenqiang) & Krishnaswamy Ram Nath ("Vendors"), pursuant to which Unimedic acquired from the Vendors the business of Peace Family Clinic and Surgery (Blk 308 Anchorvale Road #01-03 Singapore 540308) in consideration for $200,000; a Letter of Undertaking and Indemnity dated 28 May 2007 by Unimedic in respect of the Sale of Business Agreement; and a Deed of Guarantee dated 28 May 2007 between HMS (as guarantor) and Hing Siong Chen, Lam Wai Khin and Krishnaswamy Ram Nath pursuant to which HMS guaranteed the due performance of Unimedic under the Sale of Business Agreement;

(q) Sale and Purchase Agreement dated 20 May 2007 entered into between Unimedic ("Purchaser"), Ang Poon Liat, Ang Ai Tin, Keoy Soo Shin ("Vendors") and Thomson Paediatric, pursuant to which the Purchaser acquired 100,000 ordinary shares in Thomson Paediatric, representing Thomson Paediatric's entire issued and paid-up share capital in consideration for $22.50 million; a Guarantee dated 19 June 2007 between UH (as guarantor) in favour of the Vendors pursuant to which UH guaranteed the punctual performance of Unimedic under the Sale and Purchase Agreement; a Supplemental Share Agreement dated 19 June 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a letter dated 8 January 2008 between Unimedic, the Vendors and Thomson Paediatric, varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a letter dated February 2008 between Unimedic, the Vendors and Thomson Paediatric, varying and amending certain terms of the aforementioned Sale and Purchase Agreement ("February Agreement"); an extension option notice dated 1 April 2008 given by Unimedic to the Vendors pursuant to the aforementioned Sale and Purchase Agreement; and a Variation Agreement dated 9 May 2008 between Unimedic, the Vendors and Thomson Paediatric, varying and amending certain terms of the aforementioned Sale and Purchase Agreement and terminating the February Agreement;

(r) Deed of Settlement dated 24 May 2007 entered into between Dr Gabriel Seow Hoong Wei ("Dr Seow"), HMG and UH in respect of the full and final settlement of the dispute between Dr Seow and HMG in relation to the medical practice partnership carried on by Dr Seow and HMG ("Partnership"), pursuant to which HMG shall purchase Dr Seow's share in the Partnership for $924,570 to be satisfied by way of cash and the issue and allotment of Shares;

(s) Sale and Purchase Agreement dated 29 May 2007 entered into between Unimedic ("Purchaser") and Joseph Seow Kok Siam ("Vendor"), pursuant to which the Purchaser acquired from the Vendor the entire issued share capitals of (i) Universal Dentalcare Pte Ltd; (ii) Universal Dental Group (Woodlands) Pte Ltd; (iii) Universal Dental group (Braddell) Pte Ltd; (iv) Popular Dental (Woodlands) Pte Ltd; and (v) Popular Dental (CCK) Pte Ltd, in consideration for $5.85 million; a Second Tranche Agreement both dated 29 May 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a Deed of Guarantee dated 29 May 2007 between HMS (as guarantor) and the Vendor pursuant to which HMS guaranteed the due performance of Unimedic under the Second Tranche Agreement; and a letter dated 23 January 2008 between Unimedic and the Vendor, varying and amending certain terms of the aforementioned Second Tranche Agreement;

(t) Sale and Purchase Agreement dated 31 May 2007 entered into between Unimedic ("Purchaser"), Liang Te Shan, Wong Yoke Hae Francis, Ngian Kite Seng, Tho Kam San, Chan Beng Kuen, Tan Chong Tien, Wong Yue Shuen & Patrick Goh Oon Leng ("Vendors") and IOC, pursuant to which the Purchaser acquired from the Vendors 200,004 ordinary shares in IOC, representing IOC's entire issued and paid-up share capital, in consideration for $51.90 million; a First Supplemental Agreement dated 30 November 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a Second Supplemental Agreement dated 15 February 2008 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement (as amended by the aforementioned First Supplemental Agreement); and a Third Supplemental Agreement dated 28 May 2008 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement (as amended by the aforementioned First Supplemental Agreement and Second Supplemental Agreement);

(u) Sale and Purchase Agreement dated 31 May 2007 entered into between Unimedic ("Purchaser"), Ngiam Thye Eng, Yip Chin Ling William, Karruppiah Vellayappan, Koh Poh Kian, Chan Kit Yee, Ong Eng Keow & Yip Yeng Yoong ("Vendors") and SBCC Clinic, pursuant to which the Purchaser acquired from the Vendors 7 ordinary shares in SBCC Clinic, representing SBCC Clinic's entire issued and paid-up capital, in consideration for $56.00 million; a First Supplemental Agreement dated 30 November 2007 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement; a Second Supplemental Agreement dated 18 February 2008 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement (as amended by the aforementioned First Supplemental Agreement); and a Third Supplemental Agreement dated 28 May 2008 entered into between the aforementioned parties, varying and amending certain terms of the aforementioned Sale and Purchase Agreement (as amended by the aforementioned First Supplemental Agreement and Second Supplemental Agreement);

(v) Confidentiality Deeds dated 1 July 2007 and 18 March 2008 entered into between HMS and Crane Medical Pte Ltd ("Crane Medical"), pursuant to which Crane Medical provided confidentiality and non-competition undertakings to HMS;

(w) Facility Agreement dated 31 July 2007 entered into between Unimedic and DBS Bank Ltd., pursuant to which DBS Bank Ltd. was to provide a term loan facility of up to an amount equivalent to the lower of $45 million or 50% of the total cash acquisition costs in relation to the acquisition by Unimedic of Aaron Dentalcare, Aaron Seow, CLAAS, IOC, Picton, Popular (CCK), Popular (Woodlands), SBCC Clinic, SC 21, SC 24hrs, SC AC, SC Healthcare, SC Medical, SC North, Thomson Paediatric, Universal Dentalcare, Universal (Braddell), Universal (Woodlands), Peace Family (AMK), Peace Family (Anchorvale) and Peace Family (Sembawang); and a Facility Agreement dated 28 May 2008 entered into between the aforementioned parties, replacing the Facility Agreement dated 31 July 2007, pursuant to which DBS Bank Ltd. is to provide a term loan facility of up to an amount equivalent to the lower of $45 million or 45% of the total cash acquisition costs in relation to the acquisition by Unimedic of Aaron Dentalcare, Aaron Seow, CLAAS, IOC, Picton, Popular (CCK), Popular (Woodlands), SBCC Clinic, SC 21, SC 24hrs, SC AC, SC Healthcare, SC Medical, SC North, Thomson Paediatric, Universal Dentalcare, Universal (Braddell), Universal (Woodlands), Peace Family (AMK), Peace Family (Anchorvale), Peace Family (Sembawang) and SBCC S&T and to part-finance the cash consideration for the acquisition of IOCH, IOC, SBCC Clinic and SBCC S&T;

(x) Deed of undertaking and indemnity dated 31 December 2007 entered into between our Company, Unimedic, HMG and HME, pursuant to which in consideration of Unimedic, HMG and HME paying the aggregate sum of $135.22 million to our Company on demand in writing, our Company undertook to pay the liabilities of Unimedic, HMG and HME in respect of the Acquisition Consideration (as defined in the section entitled "Restructuring Exercise" of this Offer Document), save for the sum of $45.00 million, and to indemnify Unimedic, HMG and HME in respect of the same; and

(y) Deed of undertaking and indemnity dated 31 December 2007 entered into between our Company and UH ("UH Deed"), pursuant to which in consideration of our Company paying a sum of $52.56 million to UH on a date that is to be agreed between our Company and UH, UH undertook to pay the remaining amounts to be paid by cash and Shares to the various vendors (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) under, or pursuant to the sale and purchase agreements (excluding IOCH, IOC, SBCC Clinic and SBCC S&T) entered into by Unimedic, HMG and HME, and to indemnify our Company in respect of the same; and a variation deed dated 26 May 2008 in respect of the aforementioned UH Deed, pursuant to which the obligations and liabilities of UH shall automatically terminate and be of no effect upon the Invitation.

LITIGATION

12. On 24 April 2007, Ng Boon Ching filed a writ of summons in the District Court of the Republic of Singapore against CLAAS for to the sum of $236,500.00 plus interest and costs in respect of advances made by Ng Boon Ching to CLAAS. CLAAS has filed its amended defence and counterclaim for liquidated damages of $1,000,000.00, alternatively, unliquidated damages to be assessed on 3 April 2008. The case has been transferred to the High Court as the counterclaim exceeds the jurisdiction of the District Court. The status of the claim is pending and trial dates have been fixed for 21 July 2008 to 25 July 2008.

    On 3 July 2007, Ng Boon Ching filed a writ of summons against, amongst others, BCNG for the sum of $16,177.87, an injunction against further publication and unspecified damages to be assessed plus interest and costs in respect of (a) commission for treatment services; and (b) alleged defamation. The defendants to this claim have filed their defence and counterclaim on 2 August 2007. The status of the claim is pending as the matter is presently at the stage of discovery and has not yet been set down for hearing.

    Save as disclosed above, as at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last 12 months before the date of lodgement of this Offer Document, a material effect on the financial position or the profitability of our Company or any of our subsidiaries.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

13. Pursuant to the full sponsorship and management agreement dated 26 June 2008 (the "Management Agreement") entered into between our Company, the Vendor and PPCF as the Manager and Sponsor, our Company and the Vendor appointed PPCF to sponsor and manage the Invitation. PPCF will receive a management fee for its services rendered in connection with the Invitation.

14. Pursuant to the underwriting agreement and placement agreement both dated 26 June 2008 (collectively, the "Underwriting and Placement Agreements") entered into between our Company, the Vendor and UOBKH as the Underwriter and as the Placement Agent, our Company and the Vendor appointed the Underwriter to underwrite the Offer Shares for a commission of 2.5% of the Invitation Price for each Offer Share, payable by our Company and the Vendor in the proportion in which the Invitation Shares are offered by our Company and the Vendor, for subscribing and/or purchasing or for procuring subscribers and/or purchasers for any Offer Shares not subscribed for and/or purchased pursuant to the Invitation and will pay or procure payment to our Company and the Vendor for such Offer Shares.

15. Pursuant to the Underwriting and Placement Agreement, the Placement Agent agreed to subscribe for or procure subscriptions for the Placement Shares for a placement commission of 2.5% of the Invitation Price for each Placement Share, payable by our Company and the Vendor in the proportion in which the Invitation Shares are offered by our Company and the Vendor. UOBKH may, at its absolute discretion appoint one or more secondary sub-placement agents for the Placement Shares.

16. For the Offer Shares, brokerage will be paid by our Company and the Vendor in the proportion in which the Invitation Shares are offered by our Company and the Vendor to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of accepted applications made on Application Forms bearing their respective stamps, or to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% to 0.5% of the Invitation Price for each Offer Share.

    Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Invitation Price to the Placement Agent including the prevailing goods and services tax, if applicable.

    Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiary.

17. The Management Agreement may be terminated by PPCF at any time before the close of the Application List on the occurrence of certain events including the following:

    (a) PPCF becomes aware of any breach by our Company and/or its agent(s) of any warranties, representations, covenants or undertakings given by our Company to PPCF in the Management Agreement; or

    (b) there shall have been, since the date of the Management Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of PPCF.

18. The Placement Agreement is conditional upon the Management Agreement and the Underwriting Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement, and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management Agreement, the Underwriting Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Invitation.

MISCELLANEOUS

19. The nature of the business of our Company has been stated earlier in this Offer Document. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled “Group Structure” of this Offer Document.

20. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two years preceding the date of this Offer Document.

21. There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the beginning of FY2007 and the Latest Practicable Date.

22. No amount of cash or securities or benefit has been paid or given to any promoter within the two years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.

23. Save as disclosed in the section entitled "General and Statutory Information – Management, Underwriting and Placement Agreements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.

24. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with The Bank of East Asia, Limited (the "Receiving Bank"). In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

25. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

26. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

    (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

    (b) material commitments for capital expenditure;

    (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and

    (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

27. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of FY2007 to the Latest Practicable Date which may have a material effect on the financial position and results of the Group or the financial information provided in this Offer Document.

28. KPMG has been our Company's auditors since incorporation. We currently have no intention of changing our auditors after the listing of our Company on the Catalist.

CONSENTS

29. The Auditors and Reporting Accountants, KPMG, have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of the Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years Ended 31 December 2005, 2006 and 2007 and the Independent Auditors' Report on the Audited Consolidated Financial Statements of the Consolidated Group for the Financial Year Ended 31 December 2007 in the form and context in which they are respectively included and references to their name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

30. The Manager and Sponsor and the Underwriter and Placement Agent have each given and have not withdrawn their respective written consents to the issue of this Offer Document with the inclusion herein of their names and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.

31. Each of the Manager and Sponsor, the Underwriter and Placement Agent, the Solicitors to the Invitation, the Solicitors to the Underwriter and Placement Agent, the Share Registrar and Transfer Agent, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDOR

32. This Offer Document has been seen and approved by our Directors and the Vendor and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material respects as of the date hereof and there are no material facts the omission of which would make any statements in this Offer Document misleading and that this Offer Document constitutes full and true disclosure of all material facts about the Invitation, the Vendor and our Group.

DOCUMENTS AVAILABLE FOR INSPECTION

33. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six months from the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):

    (a) the Memorandum and Articles of Association of our Company;

    (b) the Accountants' Report on the Unaudited Proforma Consolidated Financial Information of the Proforma HMS Group for the Financial Years Ended 31 December 2005, 2006 and 2007 set out in Appendix A of this Offer Document;

    (c) the Independent Auditors' Report on the Audited Consolidated Financial Statements of the Consolidated Group for the Financial Year ended 31 December 2007 set out in Appendix B of this Offer Document;

    (d) the respective audited financial statements of each of the entities of our Proforma Group for each of the financial years ended 31 December 2005, 2006, and 2007, where applicable;

    (e) the material contracts referred to in this Offer Document;

    (f) the letters of consent referred to in this Offer Document; and

    (g) the Service Agreements referred to in this Offer Document.

APPENDIX A – ACCOUNTANTS' REPORT ON THE UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION OF THE PROFORMA HMS GROUP FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2005, 2006 AND 2007

The Board of Directors
Healthway Medical Corporation Limited
2 Leng Kee Road #06-07
Thye Hong Centre
Singapore 159086

Dear Sirs

Unaudited Proforma Consolidated Financial Information

We report on the unaudited proforma consolidated financial information of Healthway Medical Corporation Limited ("HMS" or the "Company") (formerly known as "Healthway Medical Services Pte. Ltd.") and its subsidiaries (collectively, the "Proforma HMS Group") as set out on pages A-3 to A-41 of the offer document (the "Offer Document") dated 26 June 2008, which has been prepared for illustrative purposes only, and based on certain assumptions and after making certain adjustments to show what:

(a) the financial results of the Proforma HMS Group for the years ended 31 December 2005, 2006 and 2007 would have been if the Proforma HMS Group structure (as described in note 3 to the unaudited proforma consolidated financial information) had been in place since 1 January 2005;

(b) the financial position of the Proforma HMS Group as at 31 December 2007 would have been if the Proforma HMS Group structure as at the date of this report had been in place on that date; and

(c) the consolidated cash flows of the Proforma HMS Group for the year ended 31 December 2007 would have been if the Proforma HMS Group structure as at the date of this report had been in place since 1 January 2007.

The unaudited proforma consolidated financial information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the Proforma HMS Group's actual financial position, financial results or cash flows.

The unaudited proforma consolidated financial information is the responsibility of the directors of the Company. Our responsibility is to express an opinion on the unaudited proforma consolidated financial information based on our work.

We carried out our procedures in accordance with Statement of Auditing Practice SAP 24: "*Auditors and Public Offering Documents*". Our work, which involved no independent examination of the unaudited proforma consolidated financial information, consisted primarily of comparing the unaudited proforma consolidated financial information to the audited financial statements or unaudited management accounts of the entities included in the Proforma HMS Group for the years ended 31 December 2005 and 2006 and 2007, considering the evidence supporting the adjustments and discussing the unaudited proforma consolidated financial information with the directors of the Company.

In our opinion:

(a) the unaudited proforma consolidated financial information has been properly prepared in a manner consistent with the accounting policies of the Proforma HMS Group, which are in accordance with Singapore Financial Reporting Standards;

(b) the unaudited proforma consolidated financial information has been properly prepared in accordance with the basis of preparation and assumptions set out in note 3 and after making the adjustments described in note 25; and

(c) each material adjustment made to the information used in the preparation of the unaudited proforma consolidated financial information is appropriate for the purpose of preparing such unaudited proforma consolidated financial information.

This report has been prepared solely for inclusion in the Offer Document of the Company in connection with the proposed listing of Healthway Medical Corporation Limited on the Catalist of the Singapore Exchange Securities Trading Limited.

Yours faithfully

KPMG
Certified Public Accountants
Singapore
26 June 2008

Iyer Venkatachalam Venkiteswaran
Partner

A. Unaudited proforma consolidated income statements

The unaudited proforma consolidated income statements of the Proforma HMS Group for the years ended 31 December 2005, 2006 and 2007, are set out below. Details of the proforma adjustments are set out in note 25 - *Statement of adjustments*.

	Note	2007 $'000	2006 $'000	2005 $'000
Revenue	6	84,608	75,632	66,566
Other operating income		528	940	856
Medical supplies and consumables used		(13,142)	(13,325)	(12,428)
Staff costs		(34,703)	(28,987)	(25,714)
Laboratory and other expense		(2,731)	(2,547)	(1,397)
Depreciation of property, plant and equipment		(756)	(926)	(1,026)
Amortisation of intangible assets		(42)	(51)	(58)
Other operating expenses		(11,653)	(10,428)	(8,536)
Finance costs		(2,051)	(2,042)	(1,878)
Profit before income tax		20,058	18,266	16,385
Income tax expense	7	(3,504)	(3,972)	(3,339)
Profit for the year	8	16,554	14,294	13,046
Basic and diluted earnings per share (Singapore cents per share)	9	1.31	1.13	1.04

B. Unaudited proforma consolidated balance sheet

The unaudited proforma consolidated balance sheet of the Proforma HMS Group as at 31 December 2007 is set out below. Details of the proforma adjustments are set out in note 25 - *Statement of adjustments*.

	Note	2007 $'000
Non-current assets		
Property, plant and equipment	10	3,352
Intangible assets	11	179,191
Deferred tax assets	12	173
		182,716
Current assets		
Inventories	13	3,077
Trade and other receivables	14	17,398
Cash and cash equivalents	15	11,276
		31,751
Total assets		214,467
Equity		
Share capital	16	86,000
Accumulated profits		6,422
Total equity		92,422
Non-current liabilities		
Provision for restoration costs	17	416
Financial liabilities	18	57,426
Amounts due to holding company (non-trade)	19	38,063
		95,905
Current liabilities		
Trade and other payables	20	16,603
Financial liabilities	18	5,941
Current tax payable		3,596
		26,140
Total liabilities		122,045
Total equity and liabilities		214,467

C. Unaudited proforma consolidated cash flow statement

The unaudited proforma consolidated cash flow statement of the Proforma HMS Group for the year ended 31 December 2007, is set out below.

	Note	2007 $'000
Operating activities		
Profit before income tax		20,058
Adjustments for:		
Depreciation of property, plant and equipment	10	756
Amortisation of intangible assets	11	42
Property, plant and equipment written off		140
Interest income	8	(20)
Interest expense	8	2,051
		23,027
Changes in working capital:		
Inventories		(522)
Trade and other receivables		(4,398)
Trade and other payables		1,787
Cash generated from operations		19,894
Income tax paid		(259)
Cash flows from operating activities		19,635
Investing activities		
Purchase of property, plant and equipment[1]		(813)
Computer software development		(62)
Interest received		20
Cash flows from investing activities		(855)
Financing activities		
Proceeds from borrowings		520
Repayments of borrowings		(966)
Repayment of finance lease liabilities		(319)
Non-trade balances with holding company		(3,833)
Interest paid		(2,051)
Cash flows from financing activities		(6,649)
Net increase in cash and cash equivalents		12,131
Cumulative effect of proforma adjustments[2]		(2,106)
Cash and cash equivalents at beginning of year		684
Cash and cash equivalents at end of year	15	10,709

(1) During the financial year, the Proforma HMS Group acquired property, plant and equipment with an aggregate cost of $933,000 of which $120,000 was acquired under finance leases.

(2) Cumulative effect of proforma adjustments comprise principally proforma adjustments to the income statement as set out in note 25 - *Statement of adjustments*.

D. Notes to unaudited proforma consolidated financial information

These notes form an integral part of and should be read in conjunction with the accompanying unaudited proforma consolidated financial information which comprise the unaudited proforma consolidated income statements for the years ended 31 December 2005, 2006 and 2007, unaudited proforma consolidated balance sheet as at 31 December 2007 and unaudited proforma consolidated cash flow statement for the year ended 31 December 2007.

1 Introduction

In connection with the proposed listing of the Company on the Catalist of Singapore Exchange Securities Trading Limited, the Directors of Healthway Medical Corporation Limited ("HMS" or the "Company") (formerly known as "Healthway Medical Services Pte. Ltd.") have prepared, for illustrative purposes, the unaudited proforma consolidated financial information of the "Proforma HMS Group" in accordance with the basis set out in note 3 below for inclusion in the offer document (the "Offer Document") dated 26 June 2008.

The unaudited proforma consolidated financial information of the Proforma HMS Group were authorised for issue by the directors of the Company on 26 June 2008.

2 General

Healthway Medical Corporation Limited ("HMS" or the "Company") (formerly known as "Healthway Medical Services Pte. Ltd.") was incorporated in the Republic of Singapore on 16 May 2007 and has its registered office at 24 Raffles Place #19-01 Clifford Centre Singapore 048621. 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 the subsidiaries are as set out in note 3.

The immediate and ultimate holding company is Universal Healthway Pte Ltd ("Universal Healthway"), a company incorporated in the Republic of Singapore.

3 Basis of preparation of the unaudited proforma consolidated financial information of the Proforma HMS Group

(I) <u>Chronological sequence of events leading to the creation of the Proforma HMS Group</u>

3.1 <u>2005</u>

Universal Healthway was incorporated in November 2005.

3.2 <u>2006</u>

(a) Acquisition of Companies from British United Provident Association Limited.

In February 2006, Universal Healthway acquired Vista Medicare Pte Ltd (formerly known as BUPA Health Care Singapore Pte Ltd), Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd from The British United Provident Association Limited ("BUPA"), a company incorporated in the United Kingdom.

(b) Incorporation of Unimedic Pte Ltd

In addition, in 2006, Universal Healthway incorporated Unimedic Pte Ltd, a wholly owned subsidiary. Unimedic Pte Ltd commenced its acquisition of clinics and medical practices in 2007.

As at 31 December 2006, Universal Healthway had the following subsidiaries – Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd, and Unimedic Pte Ltd.

Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd, and Unimedic Pte Ltd are hereinafter referred to as the "HMG Group".

3.3 2007

An expansion and restructuring exercise was undertaken by Universal Healthway in 2007.

3.4 Expansion exercise

(i) China Healthway Pte Ltd was incorporated on 2 March 2007 as a vehicle for the Proforma HMS Group's expansion into China.

(ii) In May 2007, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd acquired the remaining interests held by the partners-doctors in three partnership clinics. Prior to that, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd held between 55% to 65% of these partnership clinics.

(iii) Between April and May 2007, Unimedic Pte Ltd entered into various sale and purchase agreements to acquire companies, clinics and medical practices (collectively the "Unimedic Group") as set out below:

Name of subsidiaries	Principal activities	Country of incorporation	Effective percentage of equity held by the Group %
Held by Unimedic Pte Ltd			
Thomson Paediatric Clinic Pte Ltd	Provision of paediatric services and operation of medical clinics	Singapore	100
Aaron Dentalcare Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Aaron Seow International Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dental Group (Braddell) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dental Group (Woodlands) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dentalcare Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Silver Cross 24 Hrs Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross 21 Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross North Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross Medical Centre Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross Healthcare Pte Ltd	Practice of general medical practitioners	Singapore	100

Name of subsidiaries	Principal activities	Country of incorporation	Effective percentage of equity held by the Group %
Silver Cross AC Pte Ltd	Practice of general medical practitioners	Singapore	100
Picton Medical Centre Pte Ltd	Practice of general medical practitioners	Singapore	100
CLAAS Medical Centre Pte Ltd	Investment holding	Singapore	99.99
Popular Dental (Woodlands) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Popular Dental (CCK) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Peace Family Clinic & Surgery (AMK) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Peace Family Clinic & Surgery (Sembawang) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Peace Family Clinic & Surgery (Anchorvale) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Held by CLAAS Medical Centre Pte Ltd			
BCNG Holdings Pte Ltd	Provision of services and products related to wellness and beauty	Singapore	99.99
Held by Aaron Seow International Pte Ltd			
Aaron CTP Dental Surgery Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100

* As part of the expansion exercise, Unimedic acquired the medical practices of Peace Family Clinic & Surgery - AMK, Peace Family & Surgery – Sembawang and Peace Family Clinic & Surgery - Anchorvale. These medical practices were then injected into the abovementioned companies.

3.5 Restructuring exercise

(i) Incorporation of Healthway Medical Services Pte. Ltd.

On 16 May 2007, as part of the restructuring exercise, Universal Healthway incorporated Healthway Medical Services Pte. Ltd.. The Company's name was changed to Healthway Medical Corporation Private Limited with effect from 10 June 2008. The Company converted to a public company on 11 June 2008 and is now Healthway Medical Corporation Limited.

(ii) HMG Group Restructuring

On 21 May 2007, as part of the corporate restructuring, Universal Healthway transferred all the issued and paid up capital of Healthway Medical Enterprises Pte Ltd to Healthway Medical Group Pte Ltd.

As part of the same restructuring exercise, Universal Healthway transferred its interest in the HMG Group comprising Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd (including its interest in Healthway Medical Enterprises Pte Ltd) and Unimedic Pte Ltd to HMS.

(iii) Transfer of China Healthway Pte Ltd

As part of the same restructuring exercise, Universal Healthway also transferred its entire interest in China Healthway Pte Ltd to HMS.

(iv) HMS Group

After the expansion and restructuring exercise as mentioned above, HMS had the following subsidiaries and medical practices (collectively the "HMS Group"):

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest held %
Held by the Company			
Healthway Medical Group Pte Ltd	Practice of general medical practitioners	Singapore	100
Vista Medicare Pte Ltd	Provision of managed healthcare	Singapore	100
Unimedic Pte Ltd [including its interests in the companies and medical practices as set out in note 3.4 (iii)]	Investment holding	Singapore	100
China Healthway Pte Ltd	Investment holding	Singapore	100
Held by Healthway Medical Group Pte Ltd			
Healthway Medical Enterprises Pte Ltd	Practice of general medical practitioners	Singapore	100

KPMG is the auditor of all the above subsidiaries for the year/period ended 31 December 2007.

3.6 In addition, Unimedic Pte Ltd also entered into various conditional sale and purchase agreements to acquire all the issued and paid-up capital of the following companies as set out below:

Name of companies	**Principal activities**	**Country of incorporation**
Island Orthopaedic Consultants Pte Ltd	Provision of orthopaedic services and operation of medical clinics	Singapore
SBCC Clinic Pte Ltd	Provision of paediatric services and operation of medical clinics	Singapore
SBCC Services & Trading Pte Ltd	Procurement and distribution of pharmaceutical products	Singapore
Held by Island Orthopaedic Consultants Pte Ltd		
Island Orthopaedic Consultants Holdings Pte Ltd	Dormant	Singapore

As at 31 December 2007, the acquisition of the abovementioned companies has not been completed. The completion of the acquisitions of these companies is intended to take place immediately prior to the completion of the proposed listing of the Company's shares on the Catalist. N.F. Lee & Co is the auditor for the abovementioned companies for the year ended 31 December 2007.

The HMS Group, as mentioned in 3.5 (iv), along with the companies to be acquired, as mentioned in 3.6, is collectively referred to as the "**Proforma HMS Group**".

(II) **Basis of preparation**

The unaudited proforma consolidated financial information of the Proforma HMS Group has been prepared for illustrative purposes only, and based on certain assumptions and after making certain adjustments to show what:

(i) the financial results of the Proforma HMS Group for the financial years ended 31 December 2005, 2006 and 2007 would have been if the Proforma HMS Group structure had been in place since 1 January 2005;

(ii) the financial position of the Proforma HMS Group as at 31 December 2007 would have been if the Proforma HMS Group structure as at the date of registration of the Offer Document had been in place on that date; and

(iii) consolidated cash flows of the Proforma HMS Group for the financial year ended 31 December 2007 would have been if the Proforma HMS Group structure as at the date of registration of the Offer Document had been in place since 1 January 2007.

The unaudited consolidated proforma financial information of the Proforma HMS Group comprise:

(i) Unaudited proforma consolidated income statements for the financial years ended 31 December 2005, 2006 and 2007;

(ii) Unaudited proforma consolidated balance sheet as at 31 December 2007;

(iii) Unaudited proforma consolidated cash flow statement for the financial year ended 31 December 2007; and

(iv) A summary of significant accounting policies and other explanatory notes to the unaudited proforma consolidated financial information of the Proforma HMS Group.

The unaudited proforma consolidated financial information of the Proforma HMS Group for the financial years ended 31 December 2005, 2006 and 2007 were prepared based on the following after giving effect to the proforma adjustments as considered appropriate and as set out in note 25 – *Statement of adjustments*:

(i) where the companies have a 31 December year end, the audited financial statements of these companies for the years ended 31 December 2005, 2006 and 2007; and

(ii) where the companies have a year end other than 31 December, or where certain entities are not required to have an audit, the unaudited management accounts of these entities for the years ended 31 December 2005, 2006 and 2007.

The unaudited proforma consolidated financial information of the Proforma HMS Group has been prepared from those financial statements or management accounts stated above and are based on accounting policies of the Proforma HMS Group as set out under the summary of significant accounting policies which are in accordance with Singapore Financial Reporting Standards.

The unaudited proforma consolidated financial information of the Proforma HMS Group is not necessarily indicative of the results of operations, financial position and cash flows that would have been attained by the Proforma HMS Group had the Proforma HMS Group actually existed earlier. Therefore, the unaudited proforma consolidated financial information of the Proforma HMS Group may not give a true and fair picture of the Proforma HMS Group's actual results of operations, financial position and cash flows.

4 Auditors

The statutory financial statements of the following companies and medical practices in the Proforma HMS Group for the relevant periods were audited, where applicable, by the following firms of Certified Public Accountants which are members of the Institute of Certified Public Accountants of Singapore:

Name of companies	**Auditors**	**Financial year**
Healthway Medical Enterprises Pte Ltd	KPMG	For the financial years ended 31 December 2005 and 2006
Healthway Medical Group Pte Ltd	KPMG	For the financial years ended 31 December 2005 and 2006
Vista Medicare Pte Ltd	KPMG	For the financial years ended 31 December 2005 and 2006
Unimedic Pte Ltd	KPMG	For the financial period ended 31 December 2006
China Healthway Pte Ltd	Unaudited	Not applicable. Incorporated in 2007.
Island Orthopaedic Consultants Pte Ltd	N.F. Lee & Co	For the financial years ended 31 December 2005 and 2006
Island Orthopaedic Consultants Holdings Pte Ltd	N.F. Lee & Co	For the financial years ended 31 December 2005 and 2006
Thomson Paediatric Clinic Pte Ltd	Pricewaterhouse Coopers	For the financial year ended 31 December 2005
	BH Gan & Co	For the financial year ended 31 December 2006

Name of companies	Auditors	Financial year
SBCC Clinic Pte Ltd	N.F. Lee & Co	For the financial years ended 31 December 2005 and 2006
SBCC Services & Trading Pte Ltd	N.F. Lee & Co	For the financial years ended 31 December 2005 and 2006
Aaron Dentalcare Pte Ltd	Robert Tan & Co	For the financial year ended 31 December 2005
	Goh Ngiap Suan & Co	For the financial year ended 31 December 2006
Aaron Seow International Pte Ltd	Robert Tan & Co	For the financial year ended 31 December 2005
	Goh Ngiap Suan & Co	For the financial year ended 31 December 2006
Aaron CTP Dental Surgery Pte Ltd	Robert Tan & Co	For the financial year ended 31 December 2005
	Goh Ngiap Suan & Co	For the financial year ended 31 December 2006
Universal Dental Group (Braddell) Pte Ltd	MH Goh & Co	For the financial year ended 31 December 2006
Universal Dental Group (Woodlands) Pte Ltd	MH Goh & Co	For the financial year ended 31 December 2006
Universal Dentalcare Pte Ltd	MH Goh & Co	For the financial years ended 31 December 2005 and 2006
Popular Dental (CCK) Pte Ltd	Unaudited	Not applicable. Incorporated in 2007
Popular Dental (Woodlands) Pte Ltd	MH Goh & Co	For the financial year ended 31 December 2006
Silver Cross 24 Hrs Pte Ltd	K.S. Liaw & Co	For the financial periods/years ended 31 March 2005 and 2006 and 31 December 2006
Silver Cross 21 Pte Ltd	K.S. Liaw & Co	For the financial years ended 31 March 2005, 2006 and financial period ended 31 December 2006
Silver Cross North Pte Ltd	K.S. Liaw & Co	For the financial period ended 31 March 2006
	MGI Jason Mah & Associates	For the financial period ended 31 December 2006
Silver Cross Medical Centre Pte Ltd	K.S. Liaw & Co	For the financial year ended 30 September 2005 and financial period ended 31 December 2006

Name of companies	Auditors	Financial year
Silver Cross Healthcare Pte Ltd	K.S. Liaw & Co	For the financial years ended 31 March 2005, 2006 and financial period ended 31 December 2006
Silver Cross AC Pte Ltd	Paul Hooi & Co	For the financial year ended 31 December 2006
CLAAS Medical Centre Pte Ltd	Kelvin Tan & Co	For the financial years ended 31 December 2005 and 2006
BCNG Holdings Pte Ltd	Kelvin Tan & Co	For the financial years ended 31 December 2005 and 2006
Picton Medical Centre Pte Ltd	C.S. Chan & Co	For the financial years ended 31 December 2005 and 2006

Name of medical practices	Auditors	Financial year
Healthway Tampines Clinic	Unaudited	For the financial years ended 31 December 2005 and 2006
Healthway Woodlands Family Clinic	Unaudited	For the financial years ended 31 December 2005 and 2006
Healthway Sunshine Family Clinic	Unaudited	For the financial years ended 31 December 2005 and 2006
Peace Family Clinic & Surgery AMK	Unaudited	For the financial years ended 31 December 2005 and 2006
Peace Family Clinic & Surgery Sembawang	Unaudited	For the financial years ended 31 December 2005 and 2006
Peace Family Clinic & Surgery Anchorvale	Unaudited	For the financial years ended 31 December 2005 and 2006

The auditors' reports on the financial statements of the above-mentioned companies which were used in the preparation of the unaudited proforma consolidated financial information for the periods presented were not subject to any qualification, modification or disclaimers, except as described below:

Name of company	For financial years/ periods ended	Remark
BCNG Holdings Pte Ltd	31/12/2005	Non-observation of stock count at 31 December 2005
	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
Silver Cross 24 Hrs Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
Silver Cross Healthcare Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006

Name of company	For financial years/ periods ended	Remark
Silver Cross North Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
Silver Cross 21 Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
Silver Cross AC Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
Silver Cross Medical Centre Pte Ltd	31/12/2006 and 31/12/2007	Non-observation of stock count at 31 December 2006
CLAAS Medical Centre Pte Ltd	31/12/2006	Going concern
Aaron Seow International Pte Ltd	31/12/2005	Going concern
Aaron Dentalcare Pte Ltd	31/12/2005	Going concern

The matters giving rise to modification in the auditors' report as mentioned above do not have any significant impact on the unaudited proforma consolidated financial information of the Proforma HMS Group.

Non-observation of the stock count

There is no impact on the unaudited proforma consolidated balance sheet of the Proforma HMS Group as at 31 December 2007 as the observation of the inventory count was conducted at the balance sheet date. However, medical supplies and consumables utilised as stated in the unaudited proforma consolidated income statements for the years ended 31 December 2005, 2006 and 2007 as well as the movements in inventories as stated in the unaudited proforma consolidated cash flow statement for the year ended 31 December 2007 might be misstated due to the non-observation of the stock count as at 31 December 2005 and 2006.

Management has assessed that the impact of such a misstatement is not likely to be significant.

Going concern

There are reasonable grounds to believe that CLAAS Medical Centre Pte Ltd, Aaron Seow International Pte Ltd and Aaron Dentalcare Pte Ltd will be able to pay their debts as and when they fall due as HMS will ensure that financial support will be provided to enable them to continue their operations as a going concern in the foreseeable future.

5 Summary of significant accounting policies

5.1 Basis of preparation

These unaudited proforma consolidated financial information of the Proforma HMS Group have been prepared in a manner consistent with the accounting policies of the Proforma HMS Group, which are in accordance with Singapore Financial Reporting Standards (FRS).

The unaudited proforma consolidated financial information has been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The unaudited proforma consolidated financial information is presented in Singapore dollars which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The preparation of unaudited proforma consolidated financial information requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 11 – *assumptions of recoverable amounts relating to goodwill impairment.*

The accounting policies have been applied consistently by the Proforma HMS Group throughout the relevant periods.

5.2 Consolidation

Business combinations

Business combinations arising from transfers of interests in entitles that are under the common control of the shareholders that control the Proforma HMS Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

All other business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the Proforma HMS Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Proforma HMS Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the proforma consolidated financial information from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Proforma HMS Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the proforma consolidated financial information.

5.3 Functional currency

The functional currency of the Company is the Singapore dollar. As revenues and purchases are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors of the Company are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

5.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Proforma HMS Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign exchange translation reserve is transferred to the income statement.

5.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Proforma HMS Group and its cost can be measured reliably. Cost includes the initial estimate of the costs of dismantling, removing and restoring the commercial and office premises to its original condition at the expiry of the lease period.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is recognised in the income statement on a straight-line basis over their estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Leasehold improvements	2 to 10 years
Medical equipment	10 years
Computers	1 to 3 years
Furniture and fittings	10 years
Office equipment	10 years
Motor vehicles	10 years
Signboards	2 to 10 years

In respect of fully depreciated or impaired assets, the cost and accumulated depreciation and impairment losses are retained in the books until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

5.6 Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Proforma HMS Group's share of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 5.9. Negative goodwill is recognised immediately in the income statement.

Other intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

The useful lives are as follows:

Brand name	–	Indefinite life
Software	–	3 years

5.7 Inventories

Inventories comprising pharmacy, medical and surgical supplies are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Due 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 the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

5.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Proforma HMS Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Proforma HMS Group's contractual rights to the cash flows from the financial assets expire or if the Proforma HMS Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Proforma HMS Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Proforma HMS Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Proforma HMS Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statements.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

5.9 Impairment – non-financial assets

The carrying amounts of the Proforma HMS Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and other intangible assets with indefinite useful lives, recoverable amount is estimated at least annually, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists for all assets. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.10 Provisions

A provision is recognised if, as a result of a past event, the Proforma HMS Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

5.11 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Proforma HMS 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.

5.12 Revenue recognition

Provision of medical consultancy services

Revenue from the provision of medical consultancy services is recognised upon completion of the services rendered. Revenue excludes goods and services tax or other sales taxes.

Management and administrative fees

Management and administrative fees are recognised upon completion of services rendered.

Rental income for operating leases

Rental income receivable under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest income

Interest income from bank deposits is recognised as it accrues, using the effective interest method.

5.13 Finance costs

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

5.14 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.15 Operating leases

Where the Proforma HMS Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

5.16 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

6 Revenue

Revenue represents invoiced value of medical consultancy services and administrative and management fees as follows:

	2007 $'000	2006 $'000	2005 $'000
Medical consultancy services	84,236	75,165	66,132
Administrative and management fees	372	467	434
	84,608	75,632	66,566

7 Income tax expense

	2007 $'000	2006 $'000	2005 $'000
Current tax expense			
Current year	3,677	3,972	3,339
Deferred tax credit			
Origination and reversal of temporary differences	(173)	–	–
	3,504	3,972	3,339

Reconciliation of effective tax charge

	2007 $'000	2006 $'000	2005 $'000
Profit for the year	16,554	14,294	13,046
Total income tax expense	3,504	3,972	3,339
Profit before income tax	20,058	18,266	16,385
Tax calculated using applicable tax rates	3,610	3,653	3,277
Expenses not deductible for tax purposes	354	484	406
Income not subject to tax	(460)	(165)	(240)
Utilisation of previously unrecognised tax losses	–	–	(104)
	3,504	3,972	3,339

Applicable tax rates used were 18 percent for the year ended 31 December 2007 and 20 percent for the years ended 31 December 2005 and 2006.

8 Profit for the year

The following items have been included in arriving at profit for the year:

	2007 $'000	2006 $'000	2005 $'000
Rental income	(96)	(198)	(268)
Interest income	(20)	(8)	(44)
Interest expense – bank	2,051	2,042	1,878
Property, plant and equipment written off	140	112	87
Operating lease expense	6,877	6,086	5,011
Contributions to defined contribution plan included in staff costs	942	1,602	1,556

9 Earnings per share

For illustrative purpose, the calculation of the basic earnings per share is based on the proforma net profit attributable to equity holders of the Company for the relevant periods, and on 1,259,500,000 ordinary shares in issue as at the date of this report, representing the pre-invitation share capital.

Diluted earnings per share for the relevant periods are computed on the same basis as basic earnings per share as there were no options and warrants granted and there were no other potential ordinary shares outstanding.

10 Property, plant and equipment

	Leasehold improvements $'000	Medical equipment $'000	Computers $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Signboards $'000	Total $'000
Cost								
At 1 January 2007	4,171	2,582	1,625	1,344	1,261	84	119	11,186
Additions	224	165	190	202	129	–	23	933
Disposal/Write offs	(104)	(27)	(6)	(1)	(6)	–	(6)	(150)
At 31 December 2007	4,291	2,720	1,809	1,545	1,384	84	136	11,969
Accumulated depreciation and impairment losses								
At 1 January 2007	2,484	1,686	1,416	1,134	1,026	56	69	7,871
Depreciation charge for the year	257	220	103	83	74	9	10	756
Disposal/Write offs	(8)	(1)	(1)	–	–	–	–	(10)
At 31 December 2007	2,733	1,905	1,518	1,217	1,100	65	79	8,617
Carrying amount								
At 1 January 2007	1,687	896	209	210	235	28	50	3,315
At 31 December 2007	1,558	815	291	328	284	19	57	3,352

The Proforma HMS Group leases medical instruments under a number of finance lease arrangements. As at 31 December 2007, the net book value of leased medical instruments is $172,000.

11 Intangible assets

	Goodwill $'000	Brand name $'000	Computer software $'000	Computer software development in-progress $'000	Total $'000
Cost					
At 1 January 2007	171,093	8,000	85	36	179,214
Additions	–	–	–	62	62
At 31 December 2007	171,093	8,000	85	98	179,276
Accumulated amortisation and impairment losses					
At 1 January 2007	–	–	43	–	43
Amortisation for the year	–	–	42	–	42
At 31 December 2007	–	–	85	–	85
Carrying amount					
At 1 January 2007	171,093	8,000	42	36	179,171
At 31 December 2007	171,093	8,000	–	98	179,191

Impairment test for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the respective clinic groups which represent the lowest level within the Proforma HMS Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the respective cash generating units ("CGU") was based on their value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU and was based on the following key assumptions:

- Cash flows were projected based on actual operating results, financial budget and targeted revenue growth approved by management covering a period of five years and its projected terminal value.

- The anticipated annual revenue growth included in the cash flow projection was on average approximately 10% for the years 2008-2011. For the purpose of terminal value computation, a 2% growth rate was assumed.

- A pre-tax discount rate of 8% was applied in determining the recoverable amount of the CGU. The discount rate used reflect risks specific to the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

No impairment loss was required for the carrying amount of goodwill as at 31 December 2007 as the recoverable amount was assessed to be in excess of its carrying value.

12 Deferred tax

Movements in deferred tax assets and liabilities of the Proforma HMS Group (prior to offsetting of balances) during the year are as follows:

	At 1/1/2007 $'000	Recognised in income statement (note 7) $'000	At 31/12/2007 $'000
Deferred tax liabilities			
Property, plant and equipment	–	(67)	(67)
Deferred tax assets			
Tax value of loss carryforward	–	240	240
	–	173	173

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

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

	2007 $'000
Deductible temporary differences	1,229
Tax losses	2,143
	3,372

The utilisation of tax losses carried forward is subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134 and agreement with the Comptroller of Income Tax.

No deferred tax assets have been recognised due to the uncertainty as to whether the respective subsidiaries may be granted the waiver of shareholder's continuity test. The subsidiaries concerned are in the process of making an application to the Comptroller of Income Tax for the waiver.

13 Inventories

	2007 $'000
Pharmacy, medical and surgical supplies	3,077

14 Trade and other receivables

	2007 $'000
Trade receivables	4,480
Unbilled receivables	1,269
	5,749
Allowance for impairment losses	(10)
Net receivables	5,739
Deposits	1,436
Prepayments	523
Other receivables	9,700
	17,398

The Proforma HMS Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Proforma HMS Group's many varied and diverse customers. The Proforma HMS Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Proforma HMS Group's trade receivables.

As at 31 December 2007, other receivables included non-trade amounts of $6,778,000 due from former shareholders, owners and/or directors of the companies and medical practices acquired during the year. These non-trade amounts are unsecured, interest-free, and are repayable on demand.

15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents are as follows:

	Note	2007 $'000
Cash at bank and in hand		11,276
Bank overdraft (unsecured)	18	(567)
Cash and cash equivalents in the unaudited proforma consolidated cash flow statement		10,709

The weighted average effective interest rates per annum relating to cash and cash equivalents excluding bank overdrafts, at the balance sheet date are 0.3%.

Interest rates reprice at intervals of one month.

16 Share capital

	2007 Number of shares '000	2007 $'000
Fully-paid ordinary shares, with no par value	1,259,500	86,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time 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.

Capital risk management

The Board's policy is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Proforma HMS Group defines as total shareholders' equity, excluding minority interests, and the level of dividends to the ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Proforma HMS Group's approach to capital management during the year.

None of the entities in the Proforma HMS Group are subject to externally imposed capital requirements.

17 Provision for restoration costs

	2007 $'000
At 1 January	440
Provision made during the year	–
Reversal during the year	(24)
At 31 December	416

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

18 Financial liabilities

	Note	2007 $'000
Non-current liabilities		
Bank loans		57,317
Finance lease liabilities		109
		57,426
Current liabilities		
Bank loans		5,332
Bank overdraft	15	567
Finance lease liabilities		42
		5,941
Total		63,367

Terms and repayment schedule

	2007 $'000
Bank loans	
Due within 1 year	5,332
Due after 1 year but within 5 years	57,317
	62,649

Bank Loans (secured) comprise:	
Loan 1	45,000
Loan 2	15,000
Loan 3	1,005
Loan 4	717
Loan 5	443
Loan 6	280
Loan 7	81
Loan 8	46
Loan 9	40
Loan 10	21
Loan 11	16
	62,649

Loan 1

The bank loan is secured by a fixed and floating charge over Unimedic Pte Ltd's assets, including the performance guarantees from the shareholders and owners of the companies acquired in the expansion exercise as mentioned in note 3.4. HMS has executed an unconditional and irrevocable corporate guarantee in favour of the bank. The bank loan is repayable over 16 quarterly instalments commencing three months after draw down. The interest rate is payable at the three-month Singapore swap offer rate plus a margin of 1.5%.

Loan 2

The bank loan is secured by a letter of charge and set-off in respect of Singapore dollars fixed deposit of not less than $20,000,000. The interest rate is 1.0% over the Pledged Fixed Deposit rate.

Loan 3

The bank loan is secured by a fixed and floating charge on the assets of Healthway Medical Group Pte Ltd, joint and several guarantees from certain directors of the Company and the holding company and a corporate guarantee from the holding company. The interest rate is 1.0% per annum above the bank's prime lending rate.

Loan 4

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 1.5% per annum over the prevailing 5-year deposit bid rate. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loan 5

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 3.8% per annum. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loan 6 and 7

The bank loans are secured by the following:

(i) fixed and floating charge over all the assets of HMG Group;

(ii) joint and several guarantees from certain directors of the Company and the ultimate holding company; and

(iii) a corporate guarantee from the holding company.

The interest rate is 2.0% per annum above the bank's prime lending rate.

Loan 8

The bank loan is unsecured and the interest rate is 3.0% per annum over the bank's business instalment loan board rate.

Loan 9

The bank loan is secured by joint and several guarantees from certain directors of the Company. The interest rate is 7.0% per annum.

Loan 10

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 5.75% per annum. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loan 11

The bank loan is secured by joint and several guarantees from the former and current directors of BCNG Holdings Pte Ltd, a subsidiary of CLAAS Medical Centre Pte Ltd. The interest rate is 5.0% per annum for the first 12 months and 1.0% over the bank's commercial financing rate for the next 12 months. Unimedic Pte Ltd has undertaken to indemnify these former and current directors against any payments, expenses or losses they may incur in respect of these guarantees.

Finance lease liabilities

At the balance sheet date, the Proforma HMS Group has obligations under finance leases that are repayable as follows:

		2007	
	Principal $'000	**Interest $'000**	**Payments $'000**
Payable within 1 year	42	5	47
Payable after 1 year but within 5 years	109	10	119
Total	151	15	166

Effective interest rates and repricing analysis

	Effective interest rate %	**Floating interest $'000**	**Fixed interest rate maturing within 1 year $'000**	**Fixed interest rate maturing in 1 to 5 years $'000**	**Total $'000**
2007					
Bank loans	3.00-7.00	62,145	487	17	62,649
Bank overdraft (unsecured)	5.00	567	–	–	567
Finance lease liabilities	4.0 – 5.49	–	42	109	151
		62,712	529	126	63,367

Terms and debt repayment schedule

The following are the expected contractual undiscounted cash inflows (outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	**Cash flows**		
	$'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**
2007				
Bank loans	62,649	68,149	6,917	61,232
Bank overdraft	567	567	567	–
Finance lease liabilities	151	166	47	119
	63,367	68,882	7,531	61,351

19 Amounts due to holding company (non-trade)

The amounts due to the holding company are unsecured and interest free. The settlement of these amounts due is not planned to occur in the foreseeable future. As these amounts are, in substance, a part of the holding company's net investment in the Company and its subsidiaries, they are stated at cost.

20 Trade and other payables

	2007 $'000
Trade payables	5,371
Accrued operating expenses	3,036
Revenue received in advance	769
Other payables	7,427
	16,603

As at 31 December 2007, other payables included non-trade amounts of $646,000 due to the former shareholders, owners and/or directors of the companies and medical practices acquired during the year. These non-trade amounts are unsecured, interest-free, and are repayable on demand.

21 Commitments

Operating lease commitments

The Proforma HMS Group leases a number of commercial and office premises under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date.

As at the balance sheet date, the Proforma HMS Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2007 $'000
Within 1 year	5,267
After 1 year but within 5 years	3,256
	8,523

The Group has sublet some of its leased premises. Non-cancellable operating lease rentals are receivable as follows:

	2007 $'000
Within 1 year	224
After 1 year but within 5 years	160
	384

22 Related parties

Key management personnel compensation

Key management personnel of the Proforma HMS Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Proforma HMS Group. The Board of Directors and senior management team are considered as key personnel of the Proforma HMS Group.

Key management personnel compensation comprised:

	2007 $'000	2006 $'000
Short-term employee benefits	501	360

Other transactions with key management personnel

During the year, the Proforma HMS Group has paid rental amounting to $20,299 to a company, in which a member of the senior management team has a 20% equity interest, for the leasing of its premises.

The Proforma HMS Group entered into a contract with a company, in which a director has an interest, for the provision of computer software maintenance and development services to the Proforma HMS Group for a monthly fee of $6,053 over a period of 12 months.

23 Financial risk management

The Proforma HMS Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Proforma HMS Group's exposure to each of the above risks, the Proforma HMS Group's objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included in these unaudited proforma consolidated financial information.

The Board of Directors has overall responsibility for the establishment and oversight of the Proforma HMS Group's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Proforma HMS Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Proforma HMS Group's receivables from customers.

The Proforma HMS Group's exposure to credit risk in trade receivables is restricted to corporate customers which form a small percentage of the Proforma HMS Group's total revenue. Geographically, there is a concentration of credit risk in Singapore as the Proforma HMS Group's operations are predominately in Singapore.

Management has established a credit policy under which each new credit customer is analysed individually for creditworthiness before the Proforma HMS Group's credit terms are offered. Customers that fail to meet the Proforma HMS Group's benchmark creditworthiness may transact with the Proforma HMS Group only on a cash basis.

At the balance sheet date, there was no significant concentration of credit risk in any one or group of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Most of the Proforma HMS Group's credit customers have been transacting with the entities in the Proforma HMS Group for a number of years, and there have been no significant losses.

The Proforma HMS Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of its trade and other receivables. The main components of this allowance are a specific loss component that relates specifically to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The aging of trade receivables after taking into consideration the credit terms granted and the corresponding allowance for impairment at the balance sheet date were:

	2007	
	Gross receivables $'000	**Allowance for impairment $'000**
Not past due	4,001	–
Past due 0-30 days	522	–
Past due 31-120 days	987	(10)
More than 120 days	239	–
Total	5,749	(10)

The allowance accounts are used to record impairment losses unless the Proforma HMS Group is satisfied that no recovery of the amount owing is possible; at that point, the amount considered irrecoverable is written off against the trade receivables directly.

Cash and cash equivalents are placed with banks and financial institutions which are regulated.

Liquidity risk

Liquidity risk is the risk that the Proforma HMS Group will not be able to meet its financial obligations as they fall due. The Proforma HMS Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Proforma HMS Group's reputation.

Typically, the Proforma HMS Group ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Proforma HMS Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign exchange risk

Transactions entered into by the Proforma HMS Group are generally denominated in Singapore dollars. The Proforma HMS Group has no significant exposure to foreign exchange risk.

Interest rate risk

The Proforma HMS Group's exposure to changes in interest rates relates primarily to interest earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Proforma HMS Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. Where necessary, the Proforma HMS Group will consider using hedging strategies to reduce exposure to adverse interest rate movements.

Profile

At the balance sheet date, the interest rate profile of the Proforma HMS Group's interest bearing financial instruments was:

	2007
	$'000
Fixed rate instruments	
Financial assets	11,276
Financial liabilities	(655)
	10,621
Variable rate instruments	
Financial liabilities	(62,712)

An increase (decrease) of 100 basis points in the interest rates would have decreased (increased) profit before tax by approximately $624,000.

Fair values

Interest bearing liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease arrangements. The interest bearing liabilities of the Proforma HMS Group are principally variable rate instruments and their carrying values approximate their fair values.

Amounts due to the holding company (non-trade)

The non-trade amounts due to the holding company are stated at cost as they form part of the holding company's net investment in the Company and its subsidiaries and their settlement is not planned to occur in the foreseeable future.

Other financial assets and liabilities

The carrying values of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximates their fair values because of the short period to maturity.

24 Segment reporting

Segment information is presented in respect of the Proforma HMS Group's business segments. The primary format – business segments – is based on the intended Proforma HMS Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest bearing liabilities and provision for restoration costs.

Business segments

The Proforma HMS Group's businesses are broadly categorised into the following:

(a) Primary Healthcare which comprise family medicine, dentistry and healthcare benefit management; and

(b) Specialist and Wellness Healthcare which comprise paediatrics, orthopaedics and aesthetic medicine.

Geographical segments

No geographical segment is presented as the Proforma HMS Group's operations are predominantly in Singapore.

Results of business segments

	Primary Healthcare			Specialist and Wellness Healthcare			Total		
	2007 $'000	2006 $'000	2005 $'000	2007 $'000	2006 $'000	2005 $'000	2007 $'000	2006 $'000	2005 $'000
Revenue									
External sales	45,300	40,439	35,990	39,308	35,193	30,576	84,608	75,632	66,566
Results									
Segment results	7,054	6,728	5,893	14,804	13,338	12,292	21,858	20,066	18,185
Unallocated expenses							(1,800)	(1,800)	(1,800)
Profit before income tax							20,058	18,266	16,385
Income tax expense							(3,504)	(3,972)	(3,339)
Profit for the year							16,554	14,294	13,046

Assets and liabilities of business segments

	Primary Healthcare 2007 $'000	Specialist and Wellness Healthcare 2007 $'000	Total 2007 $'000
Assets and liabilities			
Segment assets	71,953	142,514	214,467
Unallocated assets			–
Total assets			214,467
Segment liabilities	47,283	14,346	61,629
Unallocated liabilities			60,416
Total liabilities			122,045
Other segment information			
Capital expenditure	731	202	933
Depreciation of property, plant and equipment	493	263	756
Amortisation of intangible assets	42	–	42

25 Statement of adjustments

The following adjustments have been made in arriving at the unaudited proforma consolidated income statements of the Proforma HMS Group for the financial years ended 31 December 2005, 2006 and 2007:

Income statement
For the year ended 31 December 2007

	Audited financial information (1) $'000	← Proforma adjustments (2) $'000	(3) $'000	(4) $'000 →		Unaudited consolidated proforma income statement $'000
Revenue	42,797	15,267	26,544	–		84,608
Other operating income	387	46	88	7	(iii)	528
Share of profits of partnership clinics	245	–	–	(245)	(iii)	–
Medical supplies and consumables used	(6,033)	(2,834)	(4,275)	–		(13,142)
Staff costs	(21,871)	(8,767)	(7,387)	3,322	(i)	(34,703)
Laboratory and other expenses	(943)	(380)	(1,408)	–		(2,731)
Depreciation of property, plant and equipment	(412)	(170)	(188)	14	(ii)	(756)
Amortisation of intangible assets	(42)	–	–	–		(42)
Other operating expenses	(7,696)	(1,769)	(2,262)	74	(iii)	(11,653)
Finance costs	(197)	(51)	(3)	(1,800)	(iv)	(2,051)
Profit before income tax	6,235	1,342	11,109	1,372		20,058
Income tax expense	(633)	(255)	(2,045)	(571)	(v)	(3,504)
Profit for the year	5,602	1,087	9,064	801		16,554

Notes

(1) This column comprises the audited results of the operations of the HMS Group comprising the HMG Group (comprising Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd, and Unimedic Pte Ltd) for the year ended 31 December 2007 and the audited results of the acquired companies and medical practices whose acquisitions have been legally completed as described in note 3.4 for the period from the respective dates of acquisition to 31 December 2007.

(2) These proforma adjustments relate to the unaudited results of the operations, for the period from 1 January 2007 to the respective dates of acquisition of the companies and medical practices acquired in April and May 2007 in the expansion exercise whose acquisitions have been legally completed as described in note 3.4.

(3) These proforma adjustments relate to the unaudited results of the operations of the companies and medical practices where the acquisitions have not been legally completed as at 31 December 2007, as described in note 3.6.

(4) The following proforma adjustments were made to the unaudited results of the companies and medical practices acquired in the expansion exercise mentioned in (2) and (3) above:

(i) To reflect the remuneration and fees that would have been paid to doctors (who are ex-shareholders/owners and/or directors of the companies and medical practices acquired) had their contractual terms of employment with the Proforma HMS Group been in place since 1 January 2007;

(ii) To effect the alignment of the estimated useful lives of the property, plant and equipment to be consistent with those of the Proforma HMS Group;

(iii) To exclude certain income and expenses which will not be applicable under the Proforma HMS Group;

(iv) To include the finance costs that would be incurred for financing the expansion exercise at an interest rate of 3% per annum; and

(v) To include the tax effects of the above adjustments.

Income statement
For the year ended 31 December 2006

	Audited combined income statement	←	Proforma adjustments	→		Unaudited consolidated proforma income statement
	(1)	(2)	(3)	(4)		
	$'000	$'000	$'000	$'000		$'000
Revenue	16,907	3,021	55,704	–		75,632
Other operating income	368	350	348	(126)	(iii)	940
Share of profits of partnership clinics	416	–	(416)	–		–
Medical supplies and consumables used	(3,140)	(549)	(9,636)	–		(13,325)
Staff costs	(8,828)	(1,716)	(33,532)	15,089	(i)	(28,987)
Laboratory and other expenses	(601)	(119)	(1,827)	–		(2,547)
Depreciation of property, plant and equipment	(205)	(33)	(851)	163	(ii)	(926)
Amortisation of intangible assets	(43)	(8)	–	–		(51)
Other operating expenses	(3,835)	(688)	(6,486)	581	(iii)	(10,428)
Finance costs	(40)	(39)	(225)	(1,738)	(iv)	(2,042)
Profit before income tax	999	219	3,079	13,969		18,266
Income tax expense	(179)	–	(559)	(3,234)	(v)	(3,972)
Profit for the year	820	219	2,520	10,735		14,294

Notes

(1) This column comprises the audited combined results of the operations of Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd for the period from 16 February 2006 to 31 December 2006 as these companies were acquired effective 16 February 2006 as described in note 3.2(a).

(2) These proforma adjustments relate to the unaudited results of the operations of Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd for the period from 1 January 2006 to 15 February 2006 on the assumption that these companies were acquired effective 1 January 2006.

(3) These proforma adjustments relate to the unaudited results of the operations, for the year ended 31 December 2006, of the companies and medical practices acquired in April and May 2007 in the expansion exercise whose acquisitions have been legally completed as described in note 3.4 and the unaudited results of operations of the companies and medical practices whose acquisitions have not been legally completed as described in note 3.6.

(4) The following proforma adjustments were made to the unaudited results of the companies and medical practices acquired in the expansion exercise mentioned in (3) above:

(i) To reflect the remuneration and fees that would have been paid to doctors (who are ex-shareholders/owners and/or directors of the companies and medical practices acquired) had their contractual terms of employment with the Proforma HMS Group been in place since 1 January 2006.

(ii) To effect the alignment of the estimated useful lives of the property, plant and equipment to be consistent with those of the Proforma HMS Group;

(iii) To exclude certain income and expenses which will not be applicable under the Proforma HMS Group;

(iv) To include the finance costs that would be incurred for financing the expansion exercise at an interest rate of 3% per annum; and

(v) To include the tax effects of the above adjustments.

Income statement
For the year ended 31 December 2005

	Unaudited financial information (1) $'000	← Proforma adjustments (2) $'000	Proforma adjustments (3) $'000	Proforma adjustments → (4) $'000		Unaudited consolidated proforma income statement $'000
Revenue	–	17,332	49,234	–		66,566
Other operating income	–	807	332	(283)	(iii)	856
Medical supplies and consumables used	–	(4,079)	(8,349)	–		(12,428)
Staff costs	–	(8,933)	(29,887)	13,106	(i)	(25,714)
Laboratory and other expenses	–	–	(1,397)	–		(1,397)
Depreciation of property, plant and equipment	–	(233)	(859)	66	(ii)	(1,026)
Amortisation of intangible assets	–	(58)	–	–		(58)
Other operating expenses	–	(4,763)	(5,337)	1,564	(iii)	(8,536)
Finance costs	–	(13)	(149)	(1,716)	(iv)	(1,878)
Profit before income tax	–	60	3,588	12,737		16,385
Income tax expense	–	–	(702)	(2,637)	(v)	(3,339)
Profit for the year	–	60	2,886	10,100		13,046

Notes

(1) The Proforma HMS Group did not have any income or expenses for the year ended 31 December 2005 as none of the entities was part of the Proforma HMS Group. Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd were acquired from BUPA on 16 February 2006 as described in note 3.2(a).

(2) These proforma adjustments relate to the audited combined results of the operations of Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd for the year ended 31 December 2005 on the assumption that these companies were acquired effective 1 January 2005.

(3) These proforma adjustments relate to the unaudited results of the operations, for the year ended 31 December 2005, of the companies and medical practices acquired in April and May 2007 in the expansion exercise whose acquisitions have been legally completed as described in note 3.4 and the unaudited results of operations of the companies and medical practices whose acquisitions have not been legally completed as described in note 3.6.

(4) The following adjustments were made to the audited combined results of Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd as well as the unaudited results of the companies and medical practices acquired in the expansion exercise mentioned in (2) and (3) above:

(i) To reflect the remuneration and fees that would have been paid to doctors (who are ex-shareholders/owners and/or directors of the companies and medical practices acquired) had their contractual terms of employment with the Proforma HMS Group been in place since 1 January 2005.

(ii) To effect the alignment of the estimated useful lives of the property, plant and equipment to be consistent with those of the Proforma HMS Group;

(iii) To exclude management fees of $1,091,000 charged by BUPA to Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd as well as to exclude certain income and expenses which will not be applicable under the Proforma HMS Group;

(iv) To include the finance costs that would be incurred for financing the expansion exercise at an interest rate of 3% per annum; and

(v) To include the tax effects of the above adjustments.

The following adjustments have been made in arriving at the unaudited proforma consolidated balance sheet of the Proforma HMS Group as at 31 December 2007:

Balance sheet
As at 31 December 2007

	Audited consolidated balance sheet of HMS Group (1) $'000	Proforma adjustments (2) $'000	Proforma adjustments (3) $'000	Unaudited consolidated proforma balance sheet $'000
Non-current assets				
Property, plant and equipment	2,973	–	379	3,352
Intangible assets	82,822	–	96,369	179,191
Deferred tax assets	240	–	(67)	173
	86,035	–	96,681	182,716
Current assets				
Inventories	2,494	–	583	3,077
Trade and other receivables	9,391	–	8,007	17,398
Cash and cash equivalent	6,561	–	4,715	11,276
	18,446	–	13,305	31,751
Total assets	104,481	–	109,986	214,467
Equity				
Share capital	1	45,519	40,480	86,000
Accumulated profits	6,422	–	–	6,422
Total equity	6,423	45,519	40,480	92,422
Non-current liabilities				
Provision for restoration costs	416	–	–	416
Financial liabilities	676	–	56,750	57,426
Amounts due to holding company (non-trade)	83,582	(45,519)	–	38,063
	84,674	(45,519)	56,750	95,905
Current liabilities				
Trade and other payables	9,587	–	7,016	16,603
Financial liabilities	2,248	–	3,693	5,941
Current tax payable	1,549	–	2,047	3,596
	13,384	–	12,756	26,140
Total liabilities	98,058	(45,519)	69,506	122,045
Total equity and liabilities	104,481	–	109,986	214,467

Notes

(1) This represents the audited financial position of the HMS Group as at 31 December 2007 after the expansion and restructuring exercise as described in note 3.4 and note 3.5, but excluding the financial effects of acquiring the companies and medical practices where the acquisitions are not legally completed as described in note 3.6.

(2) This proforma adjustment represents the issue of 1,145,662,222 ordinary shares by HMS in settlement of part of the non-trade amounts due to the holding company.

(3) These proforma adjustments incorporate the following effects of acquiring the companies and medical practices by Unimedic Pte Ltd for $107,900,000 where the acquisition was not legally completed as at 31 December 2007 as described in note 3.6:

- Net assets acquired of $11,531,000; and
- The goodwill arising from this acquisition of $96,369,000;
- Settlement of the amount payable to the shareholders of the acquired companies of $107,900,000 as follows:
  - $40,480,000 by the issue of 112,444,445 ordinary shares by HMS;
  - $60,000,000 to be financed by bank loans; and
  - $2,000,000 to be offset against advance payments with the balance of $5,420,000 included as payable to the shareholders of the acquired companies.

26 Subsequent events

(I) At an extraordinary general meeting held on 9 June 2008, the shareholders of the Company approved, inter alia, the following:

(a) the change of name to Healthway Medical Corporation Private Limited;

(b) the conversion of the Company into a public limited company and the consequential change of name to "Healthway Medical Corporation Limited";

(c) the adoption of a new set of Articles of Association of the Company;

(d) the allotment and issue of 95,500,000 new ordinary shares which are the subject of the Invitation, on the basis that the new ordinary shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the existing issued and paid up ordinary shares of the Company; and

(e) the authorisation of the directors, pursuant to Section 161 of the Companies Act, to

(i) allot and issue shares whether by way of rights, bonus or otherwise (including shares as may be issued pursuant to any Instrument (as defined below) made or granted by the directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such shares), 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 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, provided that the aggregate number of shares issued pursuant to such authority (including shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any adjustments ("Adjustments") effected under any relevant instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company), shall not exceed 100% of the issued share capital of the Company (excluding treasury shares) immediately after the Invitation, and provided that the aggregate number of such shares to be issued other than on a *pro rata* basis in pursuance to such authority (including Shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing shareholders shall not exceed 50% of the issued share capital of the Company (excluding treasury shares) immediately after the Invitation, and, unless revoked or varied by the Company in general meeting, such 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.

(II) Change in name and conversion to a public company

Pursuant to the extraordinary general meeting held on 9 June 2008 as mentioned in (I) above, the Company's name was changed to Healthway Medical Corporation Private Limited with effect from 10 June 2008. The Company was converted to a public company on 11 June 2008 and the name of the Company now is Healthway Medical Corporation Limited.

(III) Completion of the acquisition of companies

At 31 December 2007, the Proforma HMS Group had not completed the acquisition of certain companies as mentioned in note 3.6. On 18 June 2008, the Proforma HMS Group completed the acquisition of those companies.

(IV) Issue of ordinary shares

On 18 June 2008, the Company allotted and issued additional 1,040,319,575 ordinary shares (at 0.73 cents each) for approximately $7,596,000 and 105,342,659 ordinary shares (at 36 cents each) for approximately $37,923,000 in settlement of part of the non-trade amounts due to holding company.

On 18 June 2008, the Company issued and allotted 112,444,433 ordinary shares (at 36 cents each) for $40,480,000 as part settlement of the purchase consideration payable to the shareholders of the companies whose acquisitions had been completed subsequent to year-end as mentioned in (III) above.

(V) Other

The holding company has undertaken to settle the outstanding purchase consideration with the owners and shareholders of the acquired companies, clinics and medical practices pursuant to a deed of undertaking (the "Original Deed") dated 31 December 2007. On 26 May 2008, the Company entered into a variation deed whereby the Original Deed (and the obligations and liabilities of the holding company) will terminate and lapse upon the occurrence of an initial public offering of the Company in connection with the admission of the Company to the Catalist of Singapore Exchange Securities Trading Limited. In such an event, the remaining balance of the outstanding purchase consideration of approximately $12,000,000, which is currently included in "Amounts due to holding company (non-trade)" will revert back and become payable by the Company to the owners and shareholders of the acquired companies, clinics and medical practices.

27 New accounting standards and interpretations not yet adopted

The Proforma HMS Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amendments to FRS 23 *Borrowing Costs*
- FRS 108 *Operating Segments*
- INT FRS 111 *FRS 102 Group and Treasury Share Transactions*
- INT FRS 112 *Service Concession Arrangements*

FRS 108 will become effective for financial statements for the year ending 31 December 2009. FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Proforma HMS Group's financial statements. The Proforma HMS Group has not considered the impact of accounting standards issued after the balance sheet date.

Statement by Directors

In our opinion, the consolidated financial statements set out on pages B-4 to B-38 are drawn up so as to present fairly the state of affairs of the Consolidated Group as at 31 December 2007, and the results, changes in equity and cash flows of the Consolidated Group for the year ended on that date in accordance with Singapore Financial Reporting Standards.

On behalf of the Board of Directors

Fan Kow Hin
Director

Dr Jong Hee Sen
Director

26 June 2008

Independent auditors' report

The Board of Directors
Healthway Medical Corporation Limited
2 Leng Kee Road #06-07
Thye Hong Centre
Singapore 159086

We have audited the consolidated financial statements of Healthway Medical Corporation Limited (formerly known as Healthway Medical Services Pte. Ltd.) (the Company) and its subsidiaries (the Consolidated Group), which comprise the balance sheet of the Consolidated Group as at 31 December 2007, the income statement, statement of changes in equity and cash flow statement of the Consolidated Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages B-4 to B-38.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes:

(a) 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 profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Consolidated Group present fairly, in all material respects, the financial position of the Consolidated Group as at 31 December 2007 and the results, changes in equity and cash flows of the Consolidated Group for the year ended on that date in accordance with Singapore Financial Reporting Standards.

The consolidated financial statements have been prepared solely in connection with the proposed listing of Healthway Medical Corporation Limited on the Catalist of the Singapore Exchange Securities Trading Limited.

KPMG
Certified Public Accountants

Singapore
26 June 2008

Iyer Venkatachalam Venkiteswaran
Partner

Consolidated balance sheet
As at 31 December 2007

	Note	As at 31 December 2007 $'000	As at 31 December 2006 $'000
Non-current assets			
Property, plant and equipment	4	2,973	1,582
Intangible assets	5	82,822	9,014
Deferred tax assets	6	240	–
Partnership clinics	7	–	531
		86,035	11,127
Current assets			
Inventories	8	2,494	894
Trade and other receivables	9	9,391	3,314
Cash and cash equivalents	10	6,561	784
		18,446	4,992
Total assets		104,481	16,119
Equity			
Share capital	11	1	–
Accumulated profits		6,422	820
Total equity		6,423	820
Non-current liabilities			
Provision for restoration costs	12	416	440
Financial liabilities	13	676	–
Amounts due to holding company (non-trade)	14	83,582	4,943
		84,674	5,383
Current liabilities			
Trade and other payables	15	9,587	8,663
Financial liabilities	13	2,248	1,035
Current tax payable		1,549	218
		13,384	9,916
Total liabilities		98,058	15,299
Total equity and liabilities		104,481	16,119

The accompanying notes form an integral part of the consolidated financial statements

Consolidated income statement
Year ended 31 December 2007

	Note	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Revenue	16	42,797	16,907
Other operating income		387	368
Share of profit of partnership clinics	7	245	416
Medical supplies and consumables used		(6,033)	(3,140)
Laboratory and other expenses		(943)	(601)
Staff costs		(21,871)	(8,828)
Depreciation of property, plant and equipment	4	(412)	(205)
Amortisation of intangible assets	5	(42)	(43)
Other operating expenses		(7,696)	(3,835)
Finance costs		(197)	(40)
Profit before income tax		6,235	999
Income tax expense	17	(633)	(179)
Profit for the year/period attributable to shareholders	18	5,602	820
Basic and diluted earnings per share (Singapore cents)	19	402	59

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of changes in equity
Year ended 31 December 2007

	Share capital $'000	Accumulated profits $'000	Total $'000
At 1 January 2007	–	820	820
Issue of shares on incorporation of the Company	1	–	1
Profit for the year	–	5,602	5,602
Total recognised income for the year	–	5,602	5,602
At 31 December 2007	1	6,422	6,423
At 16 February 2006	–	–	–
Profit for the period	–	820	820
Total recognised income for the period	–	820	820
At 31 December 2006	–	820	820

The accompanying notes form an integral part of the consolidated financial statements

Consolidated cash flow statement
Year ended 31 December 2007

	Note	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Operating activities			
Profit before income tax		6,235	999
Adjustments for:			
Depreciation of property, plant and equipment	4	412	205
Amortisation of intangible assets	5	42	43
Interest income	18	(17)	(4)
Interest expense	18	197	40
Property, plant and equipment written off		140	13
Share of profit of partnership clinics	7	(245)	(416)
		6,764	880
Changes in working capital:			
Inventories		(1,314)	(130)
Trade and other receivables		(2,657)	189
Trade and other payables		2,221	1,310
Cash generated from operations		5,014	2,249
Income taxes paid		(25)	–
Cash flows from operating activities		4,989	2,249
Investing activities			
Purchase of property, plant and equipment (i)		(637)	(783)
Computer software development		(62)	(36)
Interest received		17	4
Advances paid to acquire companies	9	(2,000)	–
Net cash (outflow)/inflow on acquisition of subsidiaries	20	(18,653)	922
Distribution received from partnership clinics	7	638	135
Cash flows from investing activities		(20,697)	242
Financing activities			
Proceeds from issuance of shares		1	–
Proceeds from borrowings		520	995
Repayment of borrowings		(628)	–
Repayment of finance lease liabilities		(25)	–
Loan / (repayment of loan) from holding company		26,363	(1,400)
Non-trade balances with			
- holding company		(3,833)	(1,689)
- partnership clinics		(387)	387
Amount due to former shareholders, owners and/or directors		(413)	–
Interest paid		(197)	(40)
Cash flows from financing activities		21,401	(1,747)
Net increase in cash and cash equivalents		5,693	744
Cash and cash equivalents at beginning of year/period		744	–
Cash and cash equivalents at end of year/period	10	6,437	744

(i) During the financial year, the Consolidated Group acquired property, plant and equipment with an aggregate cost of $757,000 (2006: $1,223,000), of which $120,000 (2006: $Nil) was acquired under finance leases. In 2006, purchase of property, plant and equipment excluded a non-cash item of $440,000 relating to provision for restoration cost capitalised.

The accompanying notes form an integral part of the consolidated financial statements

Notes to the financial statements

These notes form an integral part of the financial statements.

The Directors of the Company have prepared the consolidated financial statements for inclusion in the offer document in connection with the proposed listing of the Company on the Catalist of the Singapore Exchange Securities Trading Limited.

The consolidated financial statements of the Consolidated Group were authorised for issue by the Board of Directors on 26 June 2008.

1 Domicile and activities

Healthway Medical Corporation Limited ("HMS" or the "Company") (formerly known as Healthway Medical Services Pte Ltd) is incorporated in the Republic of Singapore on 16 May 2007 and has its registered office at 24 Raffles Place, #19-01 Clifford Centre, Singapore 048621. 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 the subsidiaries are as set out in note 2.4(iii).

The immediate and ultimate holding company is Universal Healthway Pte Ltd ("Universal Healthway"), a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Consolidated Group), as explained in note 2.

2 The expansion and restructuring exercise

Chronological sequence of events leading to the creation of the Consolidated Group.

2.1 2005

Universal Healthway was incorporated in November 2005.

2.2 2006

(a) Acquisition of Companies from British United Provident Association Limited.

On February 2006, Universal Healthway acquired Vista Medicare Pte Ltd (formerly known as BUPA Health Care Singapore Pte Ltd), Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd from The British United Provident Association Limited ("BUPA"), a company incorporated in the United Kingdom.

(b) Incorporation of Unimedic Pte Ltd

In addition, in 2006, Universal Healthway incorporated Unimedic Pte Ltd, a wholly owned subsidiary. Unimedic Pte Ltd commenced its acquisition of clinics and medical practices in 2007.

As at 31 December 2006, Universal Healthway had the following subsidiaries – Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd, and Unimedic Pte Ltd.

Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd and Unimedic Pte Ltd are referred hereinafter to as "HMG Group".

2.3 2007

An expansion and restructuring exercise was undertaken by Universal Healthway in 2007.

2.4 Expansion exercise

(i) China Healthway Pte Ltd was incorporated on 2 March 2007 as a vehicle for the expansion into China.

(ii) In May 2007, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd acquired the remaining interests held by the partners-doctors in three partnership clinics. Prior to that, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd held between 55% to 65% of these partnership clinics.

(iii) Between April and May 2007, Unimedic Pte Ltd entered into various sale and purchase agreements to acquire companies, clinics and medical practices (collectively the "Unimedic Group") as set out below:

Name of subsidiaries	Principal activities	Country of incorporation	Effective percentage of equity held by the Consolidated Group %
Held by Unimedic Pte Ltd			
Thomson Paediatric Clinic Pte Ltd	Provision of paediatric services and operation of medical clinics	Singapore	100
Aaron Dentalcare Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Aaron Seow International Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dental Group (Braddell) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dental Group (Woodlands) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Universal Dentalcare Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Silver Cross 24 Hrs Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross 21 Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross North Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross Medical Centre Pte Ltd	Practice of general medical practitioners	Singapore	100
Silver Cross Healthcare Pte Ltd	Practice of general medical practitioners	Singapore	100

Name of subsidiaries	Principal activities	Country of incorporation	Effective percentage of equity held by the Consolidated Group %
Silver Cross AC Pte Ltd	Practice of general medical practitioners	Singapore	100
Picton Medical Centre Pte Ltd	Practice of general medical practitioners	Singapore	100
CLAAS Medical Centre Pte Ltd	Investment holding	Singapore	99.99
Popular Dental (Woodlands) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Popular Dental (CCK) Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100
Peace Family Clinic & Surgery (AMK) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Peace Family Clinic & Surgery (Sembawang) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Peace Family Clinic & Surgery (Anchorvale) Pte Ltd*	Practice of general medical practitioners	Singapore	100
Held by CLAAS Medical Centre Pte Ltd			
BCNG Holdings Pte Ltd	Provision of services and products related to wellness and beauty	Singapore	99.99
Held by Aaron Seow International Pte Ltd			
Aaron CTP Dental Surgery Pte Ltd	Practice of dental surgery and operation of dental clinics	Singapore	100

* As part of the expansion exercise, Unimedic acquired the medical practices of Peace Family Clinic & Surgery - AMK, Peace Family & Surgery – Sembawang and Peace Family Clinic & Surgery - Anchorvale. These medical practices were then injected into the abovementioned companies.

2.5 Restructuring exercise

(i) Incorporation of Healthway Medical Services Pte. Ltd.

On 16 May 2007, as part of the restructuring exercise, Universal Healthway incorporated Healthway Medical Services Pte. Ltd.. The Company's name was changed to Healthway Medical Corporation Private Limited with effect from 10 June 2008. The Company converted to a public company on 11 June 2008 and is now Healthway Medical Corporation Limited.

(ii) HMG Group Restructuring

On 21 May 2007, as part of the corporate restructuring, Universal Healthway transferred all the issued and paid up capital of Healthway Medical Enterprises Pte Ltd to Healthway Medical Group Pte Ltd.

As part of the same restructuring exercise, Universal Healthway transferred its interest in the HMG Group comprising Healthway Medical Group Pte Ltd (including its interest in Healthway Medical Enterprises Pte Ltd), Vista Medicare Pte Ltd and Unimedic Pte Ltd to HMS.

(iii) Transfer of China Healthway Pte Ltd

As part of the same restructuring exercise, Universal Healthway also transferred its entire interest in China Healthway Pte Ltd to HMS.

(iv) HMS Group

After the expansion and restructuring exercise as mentioned above, HMS had the following subsidiaries and medical practices (collectively the "Consolidated Group"):

Name of subsidiaries	**Principal activities**	**Country of incorporation**	**Effective interest held %**
Held by the Company			
Healthway Medical Group Pte Ltd	Practice of general medical practitioners	Singapore	100
Vista Medicare Pte Ltd	Provision of managed healthcare	Singapore	100
Unimedic Pte Ltd [including its interests in the companies and medical practices as set out in note 2.4(iii)]	Investment holding	Singapore	100
China Healthway Pte Ltd	Investment holding	Singapore	100
Held by Healthway Medical Group Pte Ltd			
Healthway Medical Enterprises Pte Ltd	Practice of general medical practitioners	Singapore	100

KPMG is the auditor of all the subsidiaries for the year/period ended 31 December 2007.

2.6 In addition, Unimedic Pte Ltd also entered into various sale and purchase agreements to acquire all the issued and paid-up capital of the companies as set out below:

Name of companies	Principal activities	Country of incorporation
Island Orthopaedic Consultants Pte Ltd	Provision of orthopaedic services and operation of medical clinics	Singapore
SBCC Clinic Pte Ltd	Provision of paediatric services and operation of medical clinics	Singapore
SBCC Services & Trading Pte Ltd	Procurement and distribution of pharmaceutical products	Singapore
Held by Island Orthopaedic Consultants Pte Ltd		
Island Orthopaedic Consultants Holdings Pte Ltd	Dormant	Singapore

As at 31 December 2007, the acquisition of the abovementioned companies has not been completed. The completion of the acquisitions of these companies is intended to take place immediately prior to the completion of the proposed listing of the Company's shares on the Catalist. Accordingly, these companies are not included in the consolidated financial statements.

2.7 Comparative figures

Pursuant to the restructuring exercise of HMG Group as mentioned in 2.5 (ii), the Company had the following subsidiaries as at 31 December 2006:

Name of subsidiaries	Principal activities	Place of business	Effective interest held %
Unimedic Pte Ltd	Investment holding	Singapore	100
Vista Medicare Pte Ltd	Provision of managed healthcare	Singapore	100
Healthway Medical Group Pte Ltd	Practice of general medical practitioners	Singapore	100
Healthway Medical Enterprises Pte Ltd	Practice of general medical practitioners	Singapore	100

As the HMG Group restructuring is a common control transactions, it has been accounted for as a combination of businesses under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until after 31 December 2006.

As mentioned in note 2.2(a), Vista Medicare Pte Ltd, Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd were acquired from BUPA on 16 February 2006. Accordingly, 16 February 2006 is deemed to be the date the Consolidated Group came into existence.

3 Summary of significant accounting policies

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The consolidated financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The preparation of consolidated financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in note 5 - *assumptions of recoverable amounts relating to goodwill impairment.*

The accounting policies set out below have been applied consistently by the Consolidated Group to all periods presented in these consolidated financial statements.

3.2 Consolidation

Business combinations

Business combinations arising from transfers of interests in entities that are under the common control of the shareholders that control the Consolidated Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

All other business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the Consolidated Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Consolidated Group. Control exists when the Consolidated Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Consolidated Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.3 Functional currency

The functional currency of the Company is Singapore dollar. As revenue and purchases are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors of the Company are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

3.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Consolidated Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign exchange translation reserve is transferred to the income statement.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Consolidated Group and its cost can be measured reliably. Cost includes the initial estimate of the costs of dismantling, removing and restoring the commercial and office premises to its original condition at the expiry of the lease period.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Leasehold improvements	2 to 10 years
Medical equipment	10 years
Computers	1 to 3 years
Furniture and fittings	10 years
Office equipment	10 years
Motor vehicles	10 years
Signboards	2 to 10 years

In respect of fully depreciated or impaired assets, the cost and accumulated depreciation and impairment losses are retained in the books until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.6 Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Consolidated Group's share of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3.10. Negative goodwill is recognised immediately in the income statement.

Other intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

The useful lives are as follows:

Brand name	Indefinite life
Computer software	3 years

3.7 Partnership clinics

A partnership clinic is one where the Consolidated Group has an interest and share in the profit and loss and net assets of the partnership clinics.

The results of the partnership clinics are equity accounted for in the Consolidated Group's financial statements.

3.8 Inventories

Inventories comprising pharmacy, medical and surgical supplies are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Due 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 the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Consolidated Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Group's contractual rights to the cash flows from the financial assets expire or if the Consolidated Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Consolidated Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Consolidated Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.10 Impairment - non-financial assets

The carrying amounts of the Consolidated Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and other intangible assets with indefinite useful lives, the recoverable amount is estimated at least annually, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists for all assets. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Consolidated 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.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Consolidated Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.13 Revenue recognition

Provision of medical consultancy services

Revenue from the provision of medical consultancy services is recognised upon completion of the services rendered. Revenue excludes goods and services tax or other sales taxes.

Management and administrative fees

Management and administrative fees are recognised upon completion of services rendered.

Rental income for operating leases

Rental income receivable under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest income

Interest income from bank deposits is recognised as it accrues, using the effective interest method.

3.14 Finance costs

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

3.15 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment for tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Operating leases

Where the Consolidated Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

3.17 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

4 Property, plant and equipment

	Leasehold improve-ments $'000	Medical instruments $'000	Computers $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Signboards $'000	Total $'000
Cost								
At 16 February 2006	500	291	665	576	279	–	62	2,373
Additions	1,018	56	55	27	27	–	40	1,223
Disposals	(21)	–	–	–	(11)	–	–	(32)
At 31 December 2006	1,497	347	720	603	295	–	102	3,564
Acquired under business combinations (note 20)	379	529	87	127	38	24	2	1,186
Additions	143	238	122	149	82	–	23	757
Disposals	(104)	(27)	(6)	(1)	(6)	–	(6)	(150)
At 31 December 2007	1,915	1,087	923	878	409	24	121	5,357
Accumulated depreciation and impairment losses								
At 16 February 2006	329	199	623	408	191	–	46	1,796
Depreciation charge for the period	87	20	37	36	16	–	9	205
Disposals	(15)	–	–	–	(4)	–	–	(19)
At 31 December 2006	401	219	660	444	203	–	55	1,982
Depreciation charge for the year	156	108	34	67	33	5	9	412
Disposals	(8)	(1)	(1)	–	–	–	–	(10)
At 31 December 2007	549	326	693	511	236	5	64	2,384
Carrying amount								
At 16 February 2006	171	92	42	168	88	–	16	577
At 31 December 2006	1,096	128	60	159	92	–	47	1,582
At 31 December 2007	1,366	761	230	367	173	19	57	2,973

The Consolidated Group leases medical instruments under a number of financial lease agreements. At 31 December 2007, the net book value of leased medical instruments is $172,000 (2006: $Nil).

5 Intangible assets

	Goodwill $'000	Brand name $'000	Computer software $'000	Computer software development -in-progress $'000	Total $'000
Cost					
At 16 February 2006	936	8,000	85	–	9,021
Additions	–	–	–	36	36
At 31 December 2006	936	8,000	85	36	9,057
Acquired under business combinations (note 20)	73,788	–	–	–	73,788
Additions	–	–	–	62	62
At 31 December 2007	74,724	8,000	85	98	82,907
Accumulated amortisation and impairment losses					
At 16 February 2006	–	–	–	–	–
Amortisation charge for the period	–	–	43	–	43
At 31 December 2006	–	–	43	–	43
Amortisation charge for the year	–	–	42	–	42
At 31 December 2007	–	–	85	–	85
Carrying amount					
At 16 February 2006	936	8,000	85	–	9,021
At 31 December 2006	936	8,000	42	36	9,014
At 31 December 2007	74,724	8,000	–	98	82,822

Impairment test for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the respective clinic groups which represent the lowest level within the Consolidated Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the respective cash generating units ("CGU") was based on their value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU and was based on the following key assumptions:

- Cash flows were projected based on actual operating results, financial budget and targeted revenue growth approved by management covering a period of five years and its projected terminal value.

- The anticipated annual revenue growth included in the cash flow projection was on average approximately 10% for the years 2008-2011. For the purpose of terminal value computation, a 2% growth rate was assumed.

- A pre-tax discount rate of 8% was applied in determining the recoverable amount of the CGU. The discount rate used reflect risks specific to the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

No impairment loss was required for the carrying amount of goodwill as at 31 December 2006 and 2007 as the recoverable amount was assessed to be in excess of its carrying value.

6 Deferred tax

Movements in deferred tax assets and liabilities of the Consolidated Group (prior to offsetting of balances) during the year are as follows:

	At 31/12/2006 $'000	Recognised in income statement (note 17) $'000	At 31/12/2007 $'000
Deferred tax assets			
Tax value of loss carry-forward	–	240	240

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

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

	At 31/12/2007 $'000	At 31/12/2006 $'000
Deductible temporary differences	1,229	1,049
Tax losses	2,143	1,434
	3,372	2,483

The utilisation of tax losses carried forward is subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134 and agreement with the Comptroller of Income Tax.

No deferred tax assets have been recognised in respect of these items due to the uncertainty as to whether the relevant subsidiaries may be granted the waiver of shareholder's continuity test. The subsidiaries concerned are in the process of applying to the Comptroller of Income Tax for the waiver.

7 Partnership clinics

	Note	$'000
At 16 February 2006		250
Income for the period		416
Distribution of income		(135)
At 31 December 2006		531
Income for the period up to the acquisition		245
Distribution of income		(638)
Adjustment on the acquisition of the entire interest in the partnership clinics	20	(138)
At 31 December 2007		–

Details of the partnerships are as follows:

Name of partnership clinic	Effective interest held by the Consolidated Group 31/12/2007 %	31/12/2006 %	Principal activities	Place of business
Healthway Tampines Clinic	–	55	Medical clinic	Singapore
Healthway Woodlands Family Clinic	–	55	Medical clinic	Singapore
Healthway Sunshine Family Clinic	–	65	Medical clinic	Singapore

As mentioned in 2.4(ii), Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd acquired the remaining interests held in these three partnership clinics and integrated the businesses of these partnership clinics into Healthway Medical Group Pte Ltd and Healthway Medical Enterprises Pte Ltd. As at the end of the financial year, these partnership clinics were dissolved.

8 Inventories

	At 31/12/2007 $'000	At 31/12/2006 $'000
Pharmacy, medical and surgical supplies	2,494	894

9 Trade and other receivables

	Note	At 31/12/2007 $'000	At 31/12/2006 $'000
Trade receivables		2,489	1,231
Unbilled receivables		1,269	766
		3,758	1,997
Allowance for impairment losses		(4)	(3)
Net receivables		3,754	1,994
Advances paid to acquire companies	22	2,000	–
Deposits		1,349	671
Prepayments		465	21
Other receivables		1,823	8
Amounts due from holding company (non-trade)		–	620
		9,391	3,314

As at 31 December 2007, other receivables included non-trade amounts of $1,692,000 due from former shareholders, owners and/or directors of the companies and medical practices acquired during the year. These non-trade amounts are unsecured, interest-free, and are repayable on demand.

The non-trade amount due from holding company is unsecured, interest-free and is repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances.

10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

For the purpose of the cash flow statement, cash and cash equivalents are as follows:

	Note	At 31/12/2007 $'000	At 31/12/2006 $'000
Cash at bank and in hand		6,561	784
Bank overdrafts	13	(124)	(40)
Cash and cash equivalents in the cash flow statement		6,437	744

The weighted average effective interest rates per annum relating to cash and cash equivalents excluding bank overdrafts, at the balance sheet date are 0.3% (2006: 0.6%).

Interest rates reprice at intervals of one month.

11 Share capital

	2007 Number of Shares ('000)
Fully paid ordinary shares, with no par value:	
At 1 January	–
Issue of subscribers' shares	1,393
At 31 December	1,393

As described in note 2.5 (i), HMS was incorporated on 16 May 2007. As at 31 December 2007, the share capital comprised 1,393,333 fully paid ordinary shares which were issued on incorporation of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time 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.

Capital risk management

The Board's policy is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Consolidated Group defines as total shareholders' equity, excluding minority interests, and the level of dividends to the ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Consolidated Group's approach to capital management during the year.

None of the entities in the Consolidated Group are subject to externally imposed capital requirements.

12 Provision for restoration costs

	At 31/12/2007 $'000	At 31/12/2006 $'000
At 1 January	440	–
Provision made during the year/period	–	440
Reversal during the year/period	(24)	–
At 31 December	416	440

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

13 Financial liabilities

	Note	At 31/12/2007 $'000	At 31/12/2006 $'000
Non-current liabilities			
Bank loans		567	–
Finance lease liabilities		109	–
		676	–
Current liabilities			
Bank loans		2,082	995
Bank overdrafts	10	124	40
Finance lease liabilities		42	–
		2,248	1,035
		2,924	1,035

	At 31/12/2007 $'000	At 31/12/2006 $'000
Terms and repayment schedule		
Bank loans		
- Due within 1 year	2,082	995
- Due after 1 year but within 5 years	567	–
	2,649	995
Bank loans comprise:		
- Loan 1	1,005	995
- Loan 2	717	–
- Loan 3	443	–
- Loan 4	280	–
- Loan 5	81	–
- Loan 6	46	–
- Loan 7	40	–
- Loan 8	21	–
- Loan 9	16	–
	2,649	995

Loan 1

The bank loan is secured by a fixed and floating charge on the assets of Healthway Medical Group Pte Ltd, joint and several guarantees from certain directors of the Company and the holding company and a corporate guarantee from the holding company. The interest rate is 1.0% per annum above the bank's prime lending rate.

Loan 2

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 1.5% per annum over the prevailing 5-year deposit bid rate. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loan 3

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 3.8% per annum. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loans 4 and 5

The bank loans are secured by the following:

(i) fixed and floating charge over all the assets of HMG Group;

(ii) joint and several guarantees from certain directors of the Company and the holding company; and

(iii) a corporate guarantee from the holding company.

The interest rate is 2.0% per annum above the bank's prime lending rate.

Loan 6

The bank loan is unsecured and the interest rate is 3.0% per annum over the bank's business instalment loan board rate.

Loan 7

The bank loan is secured by joint and several guarantees from certain directors of the Company. The interest rate is 7.0% per annum.

Loan 8

The bank loan is secured by joint and several guarantees from the former directors and shareholders of CLAAS Medical Centre Pte Ltd, a subsidiary of Unimedic Pte Ltd. The interest rate is 5.75% per annum. Unimedic Pte Ltd has undertaken to indemnify these directors and shareholders against any payments, expenses or losses they may incur in respect of these guarantees.

Loan 9

The bank loan is secured by joint and several guarantees from the former directors and current directors of BCNG Holdings Pte Ltd, a subsidiary of CLASS Medical Centre Pte Ltd. The interest rate is 5.0% per annum for the first 12 months and 1.0% over the bank's commercial financing rate for the next 12 months. Unimedic Pte Ltd has undertaken to indemnify these former and current directors against any payments, expenses or losses they may incur in respect of these guarantees.

Finance lease liabilities

At the balance sheet date, the Consolidated Group has obligations under finance leases that are repayable as follows:

	At 31/12//2007			At 31/12//2006		
	Principal $'000	Interest $'000	Payments $'000	Principal $'000	Interest $'000	Payments $'000
Payable within 1 year	42	5	47	–	–	–
Payable after 1 year but within 5 years	109	10	119	–	–	–
Total	151	15	166	–	–	–

Effective interest rates and repricing analysis

	Effective interest rate %	Floating interest $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
At 31 December 2007					
Bank loans	3.70 - 7.00	2,145	487	17	2,649
Bank overdrafts	5.00	124	–	–	124
Finance lease liabilities	4.00 - 5.49	–	42	109	151
		2,269	529	126	2,924
At 31 December 2006					
Bank loans	5.25	995	–	–	995
Bank overdrafts	5.75	40	–	–	40
		1,035	–	–	1,035

Terms and debt repayment schedule

The following are the expected contractual undiscounted cash inflows (outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000
At 31 December 2007				
Bank loans	2,649	2,752	2,167	585
Finance lease liabilities	151	166	47	119
Bank overdrafts	124	124	124	–
	2,924	3,042	2,338	704
At 31 December 2006				
Bank loans	995	995	995	–
Bank overdrafts	40	40	40	–
	1,035	1,035	1,035	–

14 Amounts due to holding company (non-trade)

As at 31 December 2007, the non-trade amount due to holding company included the outstanding purchase consideration of $52,561,000 for the acquisition of those companies, clinics and medical practices pursuant to the expansion exercise (note 20) which the holding company has undertaken to settle the outstanding purchase consideration with the owners and shareholders of these acquired companies, clinics and medical practices.

The non-trade amounts due to the holding company are unsecured and interest free. The settlement of these amounts due is not planned to occur in the foreseeable future. As these amounts are, in substance, a part of the holding company's net investment in the Company and its subsidiaries, they are stated at cost.

15 Trade and other payables

	At 31/12/2007 $'000	At 31/12/2006 $'000
Trade payables	4,832	2,740
Accrued operating expenses	2,612	460
Revenue received in advance	769	119
Other payables	1,374	789
Amounts due to:		
- holding company (non-trade)	–	4,168
- partnership clinics (non-trade)	–	387
	9,587	8,663

As at 31 December 2007, other payables included non-trade amounts of $646,000 due to former shareholders, owners and/or directors of the companies and medical practices acquired during the year. These non-trade amounts are unsecured, interest-free, and are repayable on demand.

The non-trade amounts due to the partnership clinics were repaid during the financial year.

The non-trade amounts due to the holding company as at 31 December 2006 are reclassified as long term payable to the company (note 14) as the settlement of these amounts is not planned to occur in the foreseeable future.

16 Revenue

Revenue represents invoiced value of medical consultancy services and administrative and management fees as follows:

	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Medical consultancy services	42,425	16,473
Administrative and management fees	372	434
	42,797	16,907

17 Income tax expense

	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Current tax expense		
Current period	873	179
Deferred tax credit		
Origination and reversal of temporary differences	(240)	–
	633	179

Reconciliation of effective tax rate

	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Profit for the year/period	5,602	820
Total income tax expense	633	179
Profit before income tax	6,235	999
Tax calculated using Singapore tax rate of 18% (2006: 20%)	1,122	200
Expenses not deductible for tax purposes	30	7
Income not subject to tax	(279)	(28)
Deferred tax assets recognised in respect of tax losses	(240)	–
	633	179

18 Profit for the year/period

The following items have been included in arriving at profit for the year/period:

	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Rental income	(69)	(150)
Interest income	(17)	(4)
Interest expense - banks	197	40
Property, plant and equipment written off	140	13
Operating lease expenses	4,782	2,291
Contributions to defined contribution plans included in staff costs	451	570

19 Earnings per share

The calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company for the year ended 31 December 2007 and for the period ended 31 December 2006, and on 1,393,333 ordinary shares issued as at 31 December 2007.

Diluted earnings per share for the year ended 31 December 2007 and for the period ended 31 December 2006 are computed on the same basis as basic earnings per share as there were no options and warrants granted and there were no other potential ordinary shares outstanding.

20 Net cash outflow/inflow on acquisition of subsidiaries

During the year, the Consolidated Group acquired companies, medical practices and clinics as mentioned in note 2.4. The companies, medical practices and clinics acquired contributed a net profit of $3,922,000 to the net profit for the year. If the acquisitions had occurred on 1 January 2007, the Consolidated Group's revenue would have been $58,064,000 and net profit would have been $6,689,000.

On 16 February 2006, as mentioned in note 2.2(a), Healthway Medical Group Pte Ltd, Healthway Medical Enterprises Pte Ltd and Vista Medicare Pte Ltd were acquired from BUPA. In the 10.5 months to 31 December 2006, the companies contributed a net profit of $820,000 for the year. If the companies were acquired on 1 January 2006, the Consolidated Group's revenue would have been $19,928,000 and net profit would have been $1,039,000.

The effects of the acquisitions of subsidiaries are set out below:

	Note	2007 $'000	2006 $'000
Identifiable assets			
Property, plant and equipment	4	1,186	578
Intangible assets		–	8,085
Partnership clinics		–	250
Inventories		286	764
Trade and other receivables		1,367	2,883
Cash and cash equivalents		2,530	922
		5,369	13,482
Identifiable liabilities			
Trade and other payables		(2,974)	(9,436)
Financial liabilities		(1,818)	–
Current tax payable		(483)	(39)
		(5,275)	(9,475)
Identifiable net assets acquired		94	4,007
Add: Goodwill on acquisition	5	73,788	936
Acquisition cost of subsidiaries		73,882	4,943
Less: Cash and cash equivalents in subsidiaries acquired		(2,530)	(922)
Less: Adjustment on the acquisition of the entire interest in the partnership clinics	7	(138)	–
Less: Unpaid purchase consideration to be settled by the holding company	14	(52,561)	
Less: Consideration paid by holding company		–	(4,943)
Net cash outflow/(inflow) on acquisition of subsidiaries		18,653	(922)

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

21 Related parties

Key management personnel compensation

Key management personnel of the Consolidated Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Consolidated Group. The Board of Directors and senior management team are considered as key personnel of the Consolidated Group.

Key management personnel compensation comprised:

	Year ended 31/12/2007 $'000	Period from 16/02/2006 to 31/12/2006 $'000
Short-term employee benefits	501	360

Other transactions with key management personnel

During the year, the Consolidated Group paid rental amounting to $20,299 to a company, in which a member of the senior management team has a 20% equity interest, for the leasing of its premises.

The Consolidated Group entered into a contract with a company, in which a director has an interest, for the provision of computer software maintenance and development services to the Consolidated Group for a monthly fee of $6,053 over a period of 12 months.

22 Commitments

Operating lease commitments

The Consolidated Group leases a number of commercial and office premises under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date.

As at the balance sheet date, the Consolidated Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	At 31/12/2007 $'000	At 31/12/2006 $'000
Within 1 year	4,952	1,890
After 1 year but within 5 years	2,967	1,996
	7,919	3,886

The Consolidated Group has sublet some of its leased premises. Non-cancellable operating lease rentals are receivable as follows:

	At 31/12/2007 $'000	At 31/12/2006 $'000
Within 1 year	223	60
After 1 year but within 5 years	152	40
	375	100

Capital commitments

As part of the Expansion Exercise as described in note 2.4, the Consolidated Group has committed to acquire certain companies for a total purchase consideration of $107,900,000.

As at 31 December 2007, the Consolidated Group has paid a total non-refundable advance of $2,000,000 (2006: Nil) in respect of the above acquisitions.

23 Financial risk management

The Consolidated Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Consolidated Group's exposure to each of the above risks, the Consolidated Group's objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included in these consolidated financial statements.

The Board of Directors has an overall responsibility for the establishment and oversight of the Consolidated Group's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Consolidated Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Group's receivables from customers.

The Consolidated Group's exposure to credit risk in trade receivables is restricted to corporate customers which form a small percentage of the Consolidated Group's total revenue. Geographically, there is a concentration of credit risk in Singapore as the Consolidated Group's operations are predominantly in Singapore.

Management has established a credit policy under which each new credit customer is analysed individually for creditworthiness before the Consolidated Group's credit terms are offered. Customers that fail to meet the Consolidated Group's benchmark creditworthiness may transact with the Consolidated Group only on a cash basis.

At the balance sheet date, there was no significant concentration of credit risk in any one or group of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Most of the Consolidated Group's credit customers have been transacting with the entities in the Consolidated Group for a number of years, and there have been no significant losses.

The Consolidated Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of its trade and other receivables. The main components of this allowance are a specific loss component that relates specifically to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The aging of trade receivables after taking into consideration the credit terms granted and the corresponding allowance for impairment at the respective balance sheet dates were:

	At 31/12/2007		At 31/12/2006	
	Gross $'000	Allowance for impairment $'000	Gross $'000	Allowance for impairment $'000
Not past due	2,366	–	1,229	–
Past due 0-30 days	210	–	361	–
Past due 31-120 days	949	–	407	3
Past due more than 120 days	233	4	–	–
Total	3,758	4	1,997	3

The allowance accounts are used to record impairment losses unless the Consolidated Group is satisfied that no recovery of the amount owing is possible; at that point, the amount considered irrecoverable is written off against the trade receivables directly.

Cash and cash equivalents are placed with banks and financial institutions which are regulated.

Liquidity risk

Liquidity risk is the risk that the Consolidated Group will not be able to meet its financial obligations as they fall due. The Consolidated Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Group's reputation.

Typically, the Consolidated Group ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign exchange risk

Transactions entered into by the Consolidated Group are generally denominated in Singapore dollars. The Consolidated Group has no significant exposure to foreign exchange risk.

Interest rate risk

The Consolidated Group's exposure to changes in interest rates relates primarily to interest earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Consolidated Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. Where necessary, the Consolidated Group will consider using hedging strategies to reduce exposure to adverse interest rate movements.

Sensitivity analysis

At the balance sheet date, management assessed that an increase/(decrease) of 100 basis points in the interest rates would have no significant impact to the Consolidated Group.

Fair values

Interest bearing liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease arrangements. The interest bearing liabilities of the Consolidated Group are principally variable rate instruments and their carrying values approximate their fair values.

Amounts due to holding company (non-trade)

The non-trade amounts due to the holding company are stated at cost as they form part of the holding company's net investment in the Company and its subsidiaries and their settlement is not planned to occur in the foreseeable future.

Other financial assets and liabilities

The carrying values of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

24 Segment reporting

Segment information is presented in respect of the Consolidated Group's business segments. The primary format - business segments - is based on the Consolidated Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly provision for restoration costs.

Business segments

The Consolidated Group's businesses are broadly categorised into the following:

(a) Primary Healthcare which comprise family medicine, dentistry and healthcare benefit management; and

(b) Specialist and Wellness Healthcare which comprise paediatrics, orthopaedics and aesthetic medicine.

Geographical segments

No geographical segment is presented as the Consolidated Group's operations are predominantly in Singapore.

Results of business segments

	For the year ended 31/12/2007		
	Primary healthcare $'000	Specialist and wellness healthcare $'000	Total $'000
Revenue			
External sales	35,470	7,327	42,797
Results			
Segment results	4,418	2,014	6,432
Unallocated expenses	–	–	(197)
Profit before income tax	4,418	2,014	6,235
Income tax expense			(633)
Profit for the year			5,602

Assets and liabilities of business segments

	As at 31/12/2007		
	Primary healthcare $'000	Specialist and wellness healthcare $'000	Total $'000
Assets and liabilities			
Segment assets	71,953	32,528	104,481
Segment liabilities	82,644	14,998	97,642
Unallocated liabilities			416
Total liabilities			98,058
Other segment information			
Capital expenditure	581	238	819
Depreciation of property, plant and equipment	366	46	412
Amortisation of intangible assets	42	–	42

The Consolidated Group was principally engaged in the provision of primary healthcare services in Singapore during the period from 16 February 2006 to 31 December 2006. Accordingly, the segment results, assets and liabilities are attributable to the primary healthcare services for the period.

25 Subsequent events

(I) At an extraordinary general meeting held on 9 June 2008, the shareholders of the Company approved, inter alia, the following:

(a) the change of name to Healthway Medical Corporation Private Limited;

(b) the conversion of the Company into a public limited company and the consequential change of name to "Healthway Medical Corporation Limited";

(c) the adoption of a new set of Articles of Association of the Company;

(d) the allotment and issue of 95,500,000 new ordinary shares which are the subject of the Invitation, on the basis that the new ordinary shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing issued and paid up ordinary shares of the Company; and

(e) the authorisation of the directors, pursuant to Section 161 of the Companies Act, to

(i) allot and issue shares whether by way of rights, bonus or otherwise (including shares as may be issued pursuant to any Instrument (as defined below) made or granted by the directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such shares), 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 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, provided that the aggregate number of shares issued pursuant to such authority (including shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any adjustments ("Adjustments") effected under any relevant instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company), shall not exceed 100% of the issued share capital of the Company (excluding treasury shares) immediately after the Invitation, and provided that the aggregate number of such shares to be issued other than on a *pro rata* basis in pursuance to such authority (including Shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing shareholders shall not exceed 50% of the issued share capital of the Company (excluding treasury shares) immediately after the Invitation, and, unless revoked or varied by the Company in general meeting, such 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.

(II) Change in name and conversion to a public company

Pursuant to the extraordinary general meeting held on 9 June 2008 as mentioned in (I) above, the Company's name was changed to Healthway Medical Corporation Private Limited with effect from 10 June 2008. The Company was converted to a public company on 11 June 2008 and the name of the Company now is Healthway Medical Corporation Limited.

(III) Completion of the acquisition of companies

At 31 December 2007, the Consolidated Group had not completed the acquisition of certain companies as mentioned in note 2.6. On 18 June 2008, the Consolidated Group completed the acquisition of those companies.

(IV) Issue of ordinary shares

On 18 June 2008, the Company allotted and issued additional 1,040,319,575 ordinary shares (at 0.73 cents each) for approximately $7,596,000 and 105,342,659 ordinary shares (at 36 cents each) for approximately $37,923,000 in settlement of part of the non-trade amounts due to holding company.

On 18 June 2008, the Company issued and allotted 112,444,433 ordinary shares (at 36 cents each) for $40,480,000 as part settlement of the purchase consideration payable to the shareholders of the companies whose acquisitions had been completed subsequent to year-end as mentioned in (III) above.

(V) Other

As mentioned in note 14, the holding company has undertaken to settle the outstanding purchase consideration with the owners and shareholders of the acquired companies, clinics and medical practices pursuant to a deed of undertaking (the "Original Deed") dated 31 December 2007. On 26 May 2008, the Company entered into a variation deed whereby the Original Deed (and the obligations and liabilities of the holding company) will terminate and lapse upon the occurrence of an initial public offering of the Company in connection with the admission of the Company to the Catalist of Singapore Exchange Securities Trading Limited. In such an event, the remaining balance of the outstanding purchase consideration of approximately $12,000,000, which is currently included in "Amounts due to holding company (non-trade)" will revert back and become payable by the Company to the owners and shareholders of the acquired companies, clinics and medical practices.

26 New accounting standards and interpretations not yet adopted

The Consolidated Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amendments to FRS 23 *Borrowing Costs*
- FRS 108 *Operating Segments*
- INT FRS 111 *FRS 102 Group and Treasury Share Transactions*
- INT FRS 112 *Service Concession Arrangements*

FRS 108 will become effective for financial statements for the year ending 31 December 2009. FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Consolidated Group's financial statements. The Consolidated Group has not considered the impact of accounting standards issued after the balance sheet date.

APPENDIX C – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association. The instruments that constitute and define the Company are the Memorandum and Articles of Association of the Company.

The following are extracts of the provisions in the Articles of Association of our Company relating to:

(a) **A director's power to vote on a proposal, arrangement or contract in which he is interested**

Article 90(1) – Powers of Directors to contract with Company

No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any transactions to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the Exchange. No Director shall vote in respect of any contract, arrangement or transaction in which he has directly or indirectly a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted.

Article 90(2) – Relaxation of restriction on voting

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to these Articles or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Article 91(2) – Exercise of voting power

The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

(b) **A director's power to vote on remuneration (including pension or other benefits) for himself or for any other director and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote**

Article 86(1) - Fees

The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Article 86(2) – Extra remuneration

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

Article 86(3) – Remuneration of director

The fees (including any remuneration under Article 86(2) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

Article 87 – Expenses

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Article 88 – Pensions to directors and dependents

Subject to the Act, the Directors on behalf of the Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections or to any persons in respect of and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Article 89 – Benefits for employees

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

Article 94 – Remuneration of Chief Executive Officer/Managing Director

The remuneration of a Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participating in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Article 103(1) – Alternate Directors

Any Director of the Company may at any time appoint any person who is not a Director or alternate Director and who is approved by a majority of his co-Directors to be his alternate Director for such period as he thinks fit and may at any time remove any such alternate Director from office. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an alternate Director shall be deducted from the remuneration otherwise payable to his appointor.

(c) **The borrowing powers exercisable by the directors and how such borrowing powers may be varied**

Article 118 – Directors' borrowing powers

The Directors may at their discretion exercise all the powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any property or business of the Company including any uncalled or called but unpaid capital and to issue debentures or give any other security for any debt or obligation of the Company or of any third party.

(d) **The retirement or non-retirement of a director under an age limit requirement**

Article 93 – Chief Executive Officer/Managing Director to be subject to retirement by rotation

Any Director who is appointed as a Chief Executive Officer/Managing Director (or an equivalent appointment) shall be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company. The appointment of any Director to the office of Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Article 96(1)(viii) – Vacation of office of director

Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated subject to the provisions of the Act, at the conclusion of the Annual General Meeting commencing next after he attains the age of seventy (70) years.

Article 98 – Retirement of directors by rotation

Subject to these Articles and to the Act, at each Annual General Meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Provided that all Directors shall retire from office at least once every three (3) years.

Article 99 – Selection of directors to retire

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for the three (3) years since their last election. However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Article 100 – Deemed re-elected

The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:

(i) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or

(ii) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or

(iii) such Director has attained any retiring age applicable to him as a Director.

(e) **The number of shares, if any, required for the qualification of a director**

Article 85 - Qualifications

A Director need not be a Member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at general meetings but subject to the provisions of the Act he shall not be of or over the age of seventy (70) years at the date of his appointment.

(f) **The rights, preferences and restrictions attaching to each class of shares**

Article 4 – Issue of new shares

Subject to the Act and these Articles, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in general meeting but subject thereto and to Article 47, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.

Article 5(1) – Rights attached to certain shares

Preference shares may be issued subject to such limitations thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or these Articles. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.

Article 5(2)

The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

Article 7(2) – Rights of preference shareholders

The repayment of preference capital other than redeemable preference or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.

Article 16(1) – Entitlement to certificate

Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) market days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Article 21(1) – Directors' power to decline to register

Subject to these Articles, there shall be no restriction on the transfer of fully paid up shares except where required by law or by the rules, bye-laws or listing rules of the Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Act and the listing rules of the Exchange.

Article 47 – Rights and privileges of new shares

Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Article 71(1) – Voting rights of Members

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 6, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

Article 71(3)

Notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than forty-eight (48) hours before the time of the relevant general meeting (the "*cut-off time*") as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Article 72 – Voting rights of joint holders

Where there are joint holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one (1) of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Article 73 – Voting rights of members of unsound mind

If a Member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.

Article 74 – Right to vote

Subject to the provisions of these Articles, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. In the event a member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum.

(g) **Any change in capital**

Article 50(1) – Power to consolidate, cancel and subdivide shares

The Company may by ordinary resolution alter its share capital in the manner permitted under the Act including without limitation:

(i) consolidate and divide all or any of its shares;

(ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Act;

(iii) subdivide its shares or any of them (subject to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(iv) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

Article 50(2) – Repurchase of Company's shares

The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the "*Relevant Laws*"), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

Article 51 – Power to reduce capital

The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

(h) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law**

Article 7(1) – Variation of rights

If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the general meeting shall be as valid and effectual as a special resolution carried at the general meeting.

Article 8 – Creation or issue of further shares with special rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

(i) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates**

Article 130(1) – Unclaimed dividends

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depositor returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

(j) **Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares**

Article 11 – No trust recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

Article 20 – Person under disability

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 48(1) – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 48(2)

Notwithstanding Article 48(1) above but subject to the Act and the byelaws and listing rules of the Exchange, the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:

(i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant Instruments; and/or

(iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

provided that:

(a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits prescribed by the Exchange;

(b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the Exchange) and the Articles; and

(c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

Article 48(3)

Notwithstanding Article 48(1) above but subject to the Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

APPENDIX D – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for and/or purchase the Invitation Shares at the Invitation Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for the Offer Shares may be made by way of Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks ("ATM Electronic Applications") or through Internet Banking ("IB") websites of the relevant Participating Banks ("Internet Electronic Applications", which together with ATM Electronic Applications, shall be referred to as "Electronic Applications"). Your application for the Placement Shares may only be made by way of printed Placement Shares Application Forms. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.**

3. **You are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares. If you submit an application for the Offer Shares by way of an Application Form, you MAY NOT submit another application for the Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Vendor, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

   If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Vendor.

   If you, being other than an approved nominee company, have submitted an application for the Offer Shares in your own name, you should not submit any other application for the Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Vendor.

   You are allowed to submit only one application in your own name for the Placement Shares. Any separate applications by you for the Placement Shares shall be deemed to be multiple applications and our Company and the Vendor have the discretion whether to accept or reject such multiple applications.

   If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company and the Vendor.

   If you have made an application for Placement Shares and you have also made a separate application for Offer Shares either by way of an Application Form or through an Electronic Application, our Company and the Vendor shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

   Conversely, if you have made an application for Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for Placement Shares, our Company and the Vendor shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Joint applications shall be rejected. Multiple applications for Invitation Shares shall be liable to be rejected at the discretion of our Company and the Vendor. If you submit or procure submissions of multiple share applications for the Offer Shares, the Placement Shares or both the Offer Shares and the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company and the Vendor.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased person's name at the time of application.

   No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased person's name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.

6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company and the Vendor reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance.**

   Our Company and the Vendor further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company and the Vendor reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company and the Vendor will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment which shall be at the discretion of our Company and the Vendor, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Vendor. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renouncee, any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted and/or allocated to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event that we lodge a supplementary or replacement offer document ("Relevant Document") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the Invitation Shares have not been issued and/or sold, we (and on behalf of the Vendor) will (as required by law), and subject to the SFA, at our sole and absolute discretion either

    (i) within seven days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw; or

    (ii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgement of the Relevant Document.

    Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 12(i) and (ii) above to withdraw your application, we (and on behalf of the Vendor) shall pay to you all monies paid by you on account of your application for the Invitation Shares without interest or any share or revenue or other benefit arising therefrom and at your own risk, within seven days from the receipt of such notification.

In the event that at any time at the time of the lodgement of the Relevant Document, the Invitation Shares have already been issued and/or sold but trading has not commenced, we (and on behalf of the Vendor) will (as required by law), and subject to the SFA, either:

(iii) within seven days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Invitation Shares; or

(iv) deem the issue as void and refund your payment for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraph 12(iii) above to return the Invitation Shares issued and/or sold to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Invitation Shares, whereupon we (and on behalf of the Vendor) shall, subject to the SFA, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Invitation Shares issued to him shall be void.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement Offer Document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement offer document.

13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares under-subscribed shall be made available to satisfy applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed shall be made available to satisfy applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendor and approved by the Sponsor, if required.

In all of the above instances, the basis of allotment and/or allocation of the Invitation Shares as may be decided by our Directors and the Vendor in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, via an announcement through the SGX-ST and by advertisement in a generally circulating daily press.

14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted and/or allocated to you pursuant to your application, to us, the Vendor, the Sponsor and the Placement Agent and, any other parties so authorised by the foregoing persons.

15. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Offer Shares by way of an Application Form or by way of an Electronic Application and a person applying for the Placement Shares through the Placement Agent.

16. By completing and delivering an Application Form or by making and completing an Electronic Application (in the case of an ATM Electronic Application) by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other relevant button on the IB website screen of the relevant Participating Banks (as the case may be) in accordance with the provisions of this Offer Document, you:

    (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price and agree that you will accept such Invitation Shares as may be allotted and/or allocated to you, in each case, subject to the conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company;

    (b) agree that, in the event of any inconsistency between the terms and conditions set for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;

    (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company and the Vendor forthwith;

    (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Vendor in determining whether to accept your application and/or whether to allot and/or allocate any Invitation Shares to you; and

    (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor, the Sponsor and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.

17. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Vendor being satisfied that:

    (a) permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares (including the Vendor Shares) and the New Shares on the Catalist; and

    (b) the Management Agreement and the Underwriting and Placement Agreements referred to in the section entitled "General and Statutory Information" of this Offer Document have become unconditional and have not been terminated.

18. In the event that a stop order in respect of the Invitation Shares is served by the Authority, the SGX-ST (acting on behalf of the Authority) or other competent authority, and

    (a) the Invitation Shares have not been issued, and/or sold, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or

(b) if the Invitation Shares have already been issued and/or sold but trading has not commenced, the issue will (as required by law) be deemed void and

(i) if documents purporting to evidence title had been issued to you, our Company (for itself and on behalf of the Vendor) shall inform you to return such documents to us within 14 days from that date; and

(ii) we (for ourselves and on behalf of the Vendor) will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later.

This shall not apply where only an interim stop order has been served.

19. In the event that an interim stop order in respect of the Invitation Shares is served by the Authority, the SGX-ST (acting on behalf of the Authority) or other competent authority, no Invitation Shares shall be issued to you until the interim stop order is revoked.

20. The Authority or the SGX-ST (acting on behalf of the Authority) is not able to serve a stop order in respect of the Invitation Shares if the Invitation Shares have been issued and listed on a securities exchange and trading in them has commenced.

21. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website http://www.sgx.com and through a paid advertisement in a local newspaper.

22. We will not hold any application in reserve.

23. We will not allot and/or allocate shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document.

24. Additional terms and conditions for applications by way of Application Forms are set out on pages D7 to D10 of this Offer Document.

25. Additional terms and conditions for applications by way of Electronic Applications are set out on pages D10 to D19 of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the section entitled "Terms, Conditions And Procedures For Application and Acceptance" of this Offer Document as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Offer Shares must be made using the **WHITE** Application Forms and **WHITE** official envelopes "A" and "B" for Offer Shares or the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Offer Document.

   We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Vendor reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS.**

3. All spaces in the Application Forms, except those under the heading "FOR OFFICIAL USE ONLY", must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as they appear in your identity cards (if you have such identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company and the Vendor reserve the right to require you to produce documentary proof of identification for verification purposes

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the

beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of **"HEALTHWAY SHARE ISSUE ACCOUNT"** crossed **"A/C PAYEE ONLY",** with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by us, the Vendor or the Sponsor for applications and application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management Agreement and/or the Underwriting and Placement Agreements or the Invitation does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 5 Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the stop order.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

10. By completing and delivering the Application Form, you agree that:

(a) in consideration of our Company and the Vendor having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 2 July 2008** or such other time or date as our Directors and the Vendor may, in consultation with the Manager and Placement Agent, decide:

(i) your application is irrevocable; and

(ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

(b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;

(f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Vendor, the Sponsor and Manager, the Underwriter and Placement Agent or other authorised operators; and

(g) you irrevocably agree and undertake to subscribe for and/or purchase the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company decides to allot and/or allocate any smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. You must:-

   (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with your correct remittance in accordance with the terms and conditions of this Offer Document, in the **WHITE** official envelope "A" provided;

   (b) in the appropriate spaces on **WHITE** official envelope "A":

      (i) write your name and address;

      (ii) state the number of Offer Shares applied for; and

      (iii) affix adequate Singapore postage;

   (c) seal the **WHITE** official envelope "A";

   (d) write, in the special box provided on the larger **WHITE** official envelope "B" addressed to **Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483,** the number of Offer Shares you have applied for; and

   (e) insert **WHITE** official envelope "A" into **WHITE** official envelope "B", seal **WHITE** official envelope "B" and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk** to **Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483,** to arrive by **12.00 noon on 2 July 2008 or such other time as our Company and the Vendor may, in consultation with the Manager and Sponsor, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to **Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483,** to arrive by **12.00 noon on 2 July 2008 or such other time as our Company and the Vendor may, in consultation with the Manager and Sponsor, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. Currently, UOB Group and DBS Bank are the only participating Banks through which Internet Electronic Applications can be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of UOB Group are set out, respectively, in the "Steps for an ATM Electronic Application through the ATMs of UOB Group" and the "Steps for an Internet Electronic Application through the IB website of UOB Group" (collectively, the "Steps") appearing on pages D-15 to D-19 of this Offer Document.

The Steps set out the actions that you must take at an ATM or the IB website of UOB Group to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to "you" in the additional terms and conditions for Electronic Applications and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an IB User Identification ("User ID") and a Personal Identification Number/Password ("PIN") given by a relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of UOB Group to complete an Electronic Application. The Steps set out the actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("Transaction Record"), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation ("Confirmation Screen") of the application which can be printed out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use an ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address for the purpose of the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out in the section entitled "Terms, Conditions And Procedures For Application and Acceptance" of this Offer Document as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:

   (a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;

   (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, share application amount, CPF Investment Account number (if applicable) and CDP Securities Account number and application details (the "Relevant Particulars") from your account with that relevant Participating Bank to the CDP, CPF, SCCS, SGX-ST, Share Registrar, our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent or other authorised operators (the "Relevant Parties"); and

   (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

   Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by that relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER.**

YOU SHALL MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER OR PLACEMENT SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

   You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank for Offer Shares using cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and/or purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted and/or allocated to you in respect of your Electronic Application. In the event that we decide to allot and/or allocate any lesser number of such Offer Shares or not to allot and/or allocate any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted and/or allocated to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.

5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

   Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

   Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank on the status of your Electronic Application and/or the refund of any monies to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted and/or allocated to you before trading the Offer Shares on the Catalist. None of the

SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Vendor nor the Manager and Sponsor, the Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.

   If your Internet Electronic Application made through the IB websites of DBS Bank or UOB Group is unsuccessful, no notification will be sent by such Participating Bank.

   If you make an ATM Electronic Application through the ATM or IB website of the following Participating Banks, you may check the results of your Electronic Application as follows:

Bank	Telephone	Available at ATM/internet	Operating Hours	Service Expected from
UOB Group	1800 222 2121	ATM (Other Transactions – "IPO Enquiry")(1) http://www.uobgroup.com(1),(2)	ATM/Phone Banking – 24 hours a day Internet Banking – 24 hours a day	Evening of the balloting day Evening of the balloting day
DBS Bank	1800 339 6666 (POSB Account holders) 1800 111 1111 (DBS Account holders)	Internet Banking http://www.dbs.com(2)	24 hours a day	Evening of the balloting day
OCBC	1800 363 3333	ATM/Internet Banking /Phone Banking(3) http://ocbc.com (3)	24 hours a day	Evening of the balloting day

Notes:

(1) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking Services.

(2) If you have made your Electronic Application through the IB website of UOB Group or DBS Bank, you may check your results through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of UOB Group or DBS Bank.

(3) If you have made your Electronic Application through the ATMs of OCBC, you may check your results through the same channels listed in the table above.

7. You irrevocably agree and acknowledge that your Electronics Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent, and CDP and if, in any such event, our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent, CDP and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you have no claim whatsoever against out Company, the Vendor, the Manager and Sponsor, the Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.

8. Electronic Applications shall close at **12.00 noon on 2 July 2008** or such other time as our Company and the Vendor may, in consultation with the Manager and Sponsor and the Underwriter and Placement Agent, decide. Subject to paragraph 7 above, an Internet Electronic Application is deemed to be received only upon its completion, that is, when there is an on-screen confirmation of the application.

9. You are deemed to have irrevocably requested and authorised us to:

   (a) register the Offer Shares allotted and/or allocated to you in the name of CDP for deposit into your Securities Account;

   (b) send the relevant Share certificate(s) to CDP;

   (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of balloting of applications; and

   (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days after the close of the Application List.

10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in his own name and without qualification. We will reject any application by any person acting as nominee, except those made by approved nominee companies only.

11. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank.

12. You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

13. By making and completing an Electronic Application, you are deemed to have agreed that:

   (a) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our agents, at the ATMs and the IB websites (if any):-

      (i) your Electronic Application is irrevocable; and

      (ii) your Electronic Application, the acceptance by us and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

   (b) none of our Company, the Vendor, the CDP, the Manager and Sponsor, the Underwriter and Placement Agent or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond their respective controls;

(c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and the Vendor and not otherwise, notwithstanding any payment received by or on behalf of our Company and the Vendor;

(d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

(e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor, the Manager and Sponsor, the Underwriter and Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

STEPS FOR ELECTRONIC APPLICATIONS THROUGH THE ATMS AND IB WEBSITE OF UOB GROUP

The instructions for Electronic Applications will appear on the ATM screens and IB website screens of the relevant Participating Banks. For illustration purposes, the steps for making an Electronic Application through UOB Group's ATMs or through the IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from those represented below.

Due to space constraints on UOB Group's ATM screen, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND BOARD
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PERSONAL NO"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"YR"	:	YOUR

APPENDIX D – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Steps for an ATM Electronic Application through ATMs of UOB Group

1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.

2 : Select "CASHCARD/OTHER TRANSACTIONS".

3 : Select "SECURITIES APPLICATION".

4 : Select the share counter you wish to apply for.

5 : Read and understand the following statements which will appear on the screen:

— THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS
(Press "ENTER" to continue)

— PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT

— WHERE APPLICABLE, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT
(Press "ENTER" to continue)

6 : Read and understand the following terms which will appear on the screen:

— YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/DOCUMENT/SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION
(Press "ENTER" to continue)

— YOU CONSENT TO DISCLOSE YOUR NAME, IC/PSSPT, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO AND CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST & ISSUER/VENDOR(S)

— THIS IS YOUR ONLY FIXED PRICE APPLN & IS IN YOUR NAME AND AT YOUR RISK
(Press "ENTER" to confirm)

7 : Screen will display:

NRIC/Passport No. XXXXXXXXXXX

IF YOUR NRIC/PASSPORT NO. IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.
(Press "CANCEL" or "CONFIRM")

8 : Select mode of payment i.e. "CASH ONLY". You will be prompted to select Cash Account type to debit (i.e., "CURRENT ACCOUNT/I-ACCOUNT", "CAMPUS" OR "SAVINGS ACCOUNT/TXACCOUNT"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.

9 : After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change. (This screen with your CDP Securities Account number will be shown for applicants whose CDP Securities Account number is already stored in the ATM system of the UOB Group). If this is the first time you are using the UOB Group's ATM to apply for Shares, the CDP Securities Account number will not be stored in the ATM system of the UOB Group, and the following screen will be displayed for your input of your CDP Securities Account number.

10 : Read and understand the following terms which will appear on the screen:

1. You are required to enter your CDP account number for you first IPO application. This account number would be displayed for future applications.

2. Do not apply for joint account holder or third parties

3. Please enter your own CDP account number (12 digits) and press <ENTER>

(If you wish to terminate the transaction, please press <CANCEL>)

11 : Key in your CDP Securities Account number (12-digits) and press the "ENTER" key.

12 : Select your nationality status.

13 : Key in the number of Shares you wish to apply for and press the "ENTER" key.

14 : Check the details of your Electronic Application on the screen and press the "ENTER" key to confirm your Electronic Application.

15 : Select "NO" if you do not wish to make further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

Owing to space constraints on UOB Group's IB website screen, the following terms will appear in abbreviated form:

"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"NRIC" or "I/C"	:	National Registration Identity Card
"PR"	:	Permanent Resident
"SGD" or "$"	:	Singapore Dollars
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SGX"	:	Singapore Exchange Securities Trading Limited

Steps for an Internet Electronic Application through the IB website of UOB Group

Step 1 : Connect to UOB website at http://www.uobgroup.com.

2 : Locate the Login icon on the left hand side next to “Internet Banking”.

3 : Click on Login and at the drop list select “UOB Personal Internet Banking”.

4 : Enter your Username and Password and click “Submit”.

5 : Select “Investment Services” (“IPO” should be the default transaction that appears, click “Application”).

6 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions.

7 : Click “Continue”.

8 : Select your country of residence (you must be residing in Singapore to apply) and click “Continue”.

9 : Select the IPO counter from the drop list (if there are concurrent IPOs) and click “Continue”.

10 : Check the share counter, select the mode of payment and account number to debit and click on “Continue”.

11 : Read the important instructions and click on “Continue” to confirm that:

1. **You have read, understood and agreed to all terms and conditions of this application and Prospectus/Document or Supplementary Document.**

2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable), and application details to the share registrars, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).**

3. **This application is made in your own name, for your own account and at your own risk.**

4. **For FIXED/MAX price shares application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**

5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S$, based on the Bank’s prevailing board rates at the time of application. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss, or application monies may be debited and refunds credited in S$ at the same exchange rate.**

6. **For 1ST-COME-1ST SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**

12 : Check your personal details, details of the share counter you wish to apply for and account to be debited.

Select: (a) "Nationality";
Enter : (b) your CDP securities account number; and
(c) the number of shares applied for.
Click "Submit".

13 : Check the details of your application, your NRIC/Passport number, CDP securities account number, the number of shares applied for, share counter, payment mode and account to be debited.

14 : Click "Confirm", "Edit" or "Cancel".

15 : Print the Completion Screen (optional) for your own reference and retention only.