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## CORPORATE PROFILE



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

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

We currently own, operate and manage ninety-three (93) clinics and medical centres. These facilities are in most parts of Singapore, including many major private hospitals.

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

### PRIMARY HEALTHCARE DIVISION

Our Primary Healthcare Division is one of the largest private clinic networks in Singapore, comprising Family Medicine, Health Screening, Japanese Medical and Dental services. We have sixty-eight (68) clinics under this division across the island, that provide outpatient medical services to private patients as well as corporate clientele.



#### Family Medicine

We provide affordable, quality healthcare at fifty-nine (59) GP clinics across the island, under the Healthway Medical, Silver Cross and The Clinic Group brand names.

With the Group’s plans to expand its footprint of GP clinics, we acquired The Clinic Group in 2021 to expand our network of care and meet the growing needs of the Primary Care sector. This will position the Group to provide preventive care solutions and better manage chronic conditions, and improving quality of life.

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

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

### Battling COVID-19 As a Nation

Healthway Medical has been playing an active role in supporting the government in the fight against COVID-19. As the COVID-19 situation continues to evolve, our doctors and staff have been working tirelessly to adapt and meet the increase in demand for healthcare services.

In 2021, Healthway Medical has provided COVID-19 vaccinations at our clinics and vaccination centres, as well as swab tests at dormitories and supervised swab tests at quick test centres to safeguard our community against COVID-19.

## CORPORATE PROFILE



To help boost COVID-19 vaccination take-up rate among seniors, the Group has begun administering Sinopharm COVID-19 vaccines at selected GP clinics as an alternative choice of COVID-19 vaccination.



### **Tele-Medicine**

The Healthway Medical App was launched in 2020, offering teleconsultation services for both family medicine and specialist clinics.

Through the integration with our proprietary Clinic Management System, the App provides a fully digitised patient journey to complement our island-wide clinic network. Patients can enjoy safe and convenient access to teleconsultation across a broad spectrum of healthcare services, ranging from primary care such as Healthway Medical and Healthway Japanese Medical GP services to specialist services like psychology, paediatrics and gastroenterology.



### **Health Screening**

Located conveniently in Downtown Gallery and Centrepoint, Healthway Screening Centres provide a seamless and comfortable health screening experience. The centres offer a comprehensive range of health screening packages tailored to individuals who prioritise quality and convenience.

Our medical professionals offer personalised recommendations and treatments for patients, helping them to uncover key insights about their current health status, and identify any future risks for early intervention.



## CORPORATE PROFILE



### **Dental**

We provide a wide range of general and specialist dental services at five (5) dental clinics across the island, under the Healthway Dental and Tooth Stories brand names.

In 2022, we expanded our dental services with the addition of a new brand, Tooth Stories. Tooth Stories provides high value dental services at competitive prices, enabling greater access to a wider spectrum of dental care.

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



### **Japanese Medical**

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

### **CORPORATE HEALTHCARE MANAGEMENT**

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

### **SPECIALISTS DIVISION**

Healthway Medical offers a range of comprehensive specialist disciplines through the Nobel, SBCC, and Island Orthopaedics brands.

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

We currently have thirty-one (31) specialists in eight (8) disciplines.



### **Baby & Child**

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

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

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



### **Women's Health**

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

## CORPORATE PROFILE

**Orthopaedics**

Island Orthopaedics is one of the leading orthopaedic chains in Singapore. Led by a team of senior surgeons with combined expertise across a wide spectrum of orthopaedic and trauma conditions, we specialise in conditions that involve general orthopaedics, bone and soft tissue tumours, cartilage regeneration, foot and ankle, hip, knee, shoulder and elbow, spine, neck and back, sports medicine, joint replacement, standard and minimally invasive surgery. Our orthopaedic clinics are located in most of the major private hospitals in Singapore.

**Heart (Cardiology)**

The Nobel Heart Centre provides a holistic suite of services in cardiovascular disease diagnosis, management, treatment and prevention.

Complementing our cardiologist is a team of highly trained staff that heightens our abilities in interventional, invasive, and non-invasive cardiology.

**Ear, Nose & Throat  
(Otorhinolaryngology)**

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

**Colorectal and General Surgery**

Nobel Surgery Centre provides accessible and affordable general surgery services, including gastrointestinal, laparoscopic and colorectal surgery. In addition, various programmes are implemented to support the prevention of colon cancer, the most common cancer in Singapore.

**Digestive Health (Gastroenterology  
and Hepatology)**

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

## CORPORATE PROFILE



### **Psychiatry**

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

### **ALLIED HEALTH**

Complementing our psychiatrists and specialists is our allied healthcare provider that offers assessments and therapeutic intervention through psychology for adults. As part of the Group’s expansion plans in the Allied Health Division, the Group targets to offer podiatry services in the second quarter of 2022.



### **Psychology**

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



### **Podiatry (Operational in second quarter of 2022)**

Straits Podiatry is a new range of services under the Group’s Allied Health division. The podiatrists diagnose and treat conditions of the lower limb in patients ranging from children to elderly.

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

## CHAIRMAN'S STATEMENT



The Group recorded revenue of S\$139.9 million for FY2021, an increase of 43.6%, against revenue of S\$97.4 million for FY2020.

The Group's net profit after income tax for FY2021 was S\$10.7 million as compared to a net profit after income tax of S\$3.2 million in FY2020.

## CHAIRMAN'S STATEMENT

### Dear Valued Shareholders,

As the COVID-19 pandemic continued to disrupt economies and lives around the world in 2021, the healthcare sector faced unprecedented demands for medical services and resources. The emergence of the Delta and Omicron variants placed tremendous strain on healthcare systems globally as countries around the world grappled with healthcare needs from COVID-19 as well as patients who required treatment for chronic conditions. While vaccines have enabled the gradual resumption of social and economic activities to pre-pandemic levels in many communities, it is pivotal for healthcare providers to continue to respond to the rapidly changing circumstances by evolving and strengthening their services.

For the financial year ended 31 December 2021 (“**FY2021**”), Healthway Medical Corporation Limited (“**HMC**”, “**the Company**” or together with its subsidiaries, “**the Group**”) forged ahead against the challenging backdrop with strong commitment to provide quality services, value and accessibility through our extensive network of primary and specialist clinics in Singapore. The Company expanded its network of services in the Primary Care and Specialist disciplines while working tirelessly to serve the community and support nationwide efforts to fight the pandemic.

The Board and Management and staff remain fully committed to meeting the needs of our patients and will build on this trajectory to become one of the leading integrated medical providers in Asia.

### Financial Performance

The Group recorded revenue of S\$139.9 million for FY2021, an increase of 43.6%, against revenue of S\$97.4 million for the year ended 31 December 2020 (“**FY2020**”). Over the past five years, the Group has made steady and significant progress in its effort to restore its financial health from a loss of S\$34.8 million in FY2017 to register two consecutive years of profit in FY2020 and FY2021.

The revenue growth of S\$42.5 million in FY2021 was led by the increase in revenue of S\$37.0 million from the Primary Healthcare Segment, underpinned by recovery in patient volume from FY2020 and complemented by revenue from the COVID-19 vaccination centres, Polymerase Chain Reaction (“**PCR**”) and serology testing and migrant worker dormitory projects. Additionally, the Group recorded an increase in revenue of S\$5.5 million from the Specialist Healthcare Segment driven by a rise in demand compared to FY2020 when non-essential medical services were suspended during the circuit breaker period.

Total expenses increased by S\$33.4 million mainly due to increase in staff cost of S\$23.4 million, rise in cost of medical supplies, consumables and laboratory expenses by S\$8.3 million and other operating expenses by S\$2.7 million.

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

### Transitioning to a New Normal

In the past year, the Group actively supported the Singapore Government's efforts to inoculate the population and manage past and emergent waves of COVID-19 infections. In September 2021, we began administering the first batch of Sinopharm COVID-19 vaccines, acquired through the Ministry of Health Special Access Route, at General Practitioner (“**GP**”) clinics island-wide. With the support of OUE Limited, the Group played an active role to boost the uptake of vaccinations among the senior population by sponsoring 2,000 doses of the Sinopharm COVID-19 vaccine for the first 1,000 seniors aged 60 and above who signed up.

## CHAIRMAN'S STATEMENT

Testing services remain a mainstay in Singapore's efforts to curb transmission, with our GP clinics offering PCR swab tests, Antigen Rapid Tests ("ARTs") and serology tests. Our clinics continued to provide frontline support in attending to mild COVID-19 cases in the community, reducing the burden for local hospitals and freeing up resources for them to treat patients with serious COVID-19 conditions. Additionally, the Group supported government-initiated projects including vaccination centres, mobile vaccination drives and Quick Test Centres ("QTC") to boost efforts in managing the COVID-19 outbreak.

### Sharpening our Business Focus

As Singapore transitions to living with COVID-19, the Company has adopted strategies to remain future-proof. In line with the Government's launch of Healthier SG, a new strategy aimed at expanding preventive care for residents across Singapore, we continued to widen our chain of GP clinics to meet the growing demands of the Primary Care sector. In October 2021, the Group completed the acquisition of a Primary Healthcare chain to expand our medical services across Singapore, particularly within the commercial business district. With this acquisition, we have become the largest outpatient clinic chain in Singapore. Strengthening our Primary Care network will position us to provide preventive care solutions and better manage chronic conditions, improve quality of life and reduce the risk of costly downstream complications for a larger pool of patients and community.

The Group is also expanding its repertoire of specialist doctors, from growing its paediatric and orthopaedic specialities to launching new verticals across the full spectrum of adult specialist disciplines.

As Singapore continues to adapt to new post-pandemic realities, the Group will remain perceptive and ever ready to contribute to the resilience of the nation's healthcare infrastructure.

### In Appreciation

On behalf of the Board and Management, I wish to convey our deepest gratitude to all our frontline staff, doctors, clinical professionals and healthcare personnel. Their unwavering tenacity, dedication and sacrifices have enabled us to provide the highest quality of care for our patients despite this strenuous period. They serve as an inspiration for us to strive for greater excellence.

The Board and Management also wish to express our heartfelt appreciation to our shareholders for your unstinting support. The growth of the Group would not have been possible without your enduring trust. As we continue to progress and evolve with the pandemic, I am confident that the Group will scale new heights in serving the healthcare needs of our community and deliver new value to you.

**Mr Sin Boon Ann,**

*Independent Chairman*

*Healthway Medical Corporation Limited*

## BOARD OF DIRECTORS



**MR SIN BOON ANN**  
INDEPENDENT CHAIRMAN

**Mr Sin Boon Ann** was appointed as an Independent Chairman of the Company on 26 April 2019 and was last re-appointed on 6 July 2020. He is the Chairman of the Remuneration Committee, and a member of the Audit and Risk Committee and the Nominating Committee.

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

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

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

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

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



**MR ABRAM MELKYZEDECK SUHARDIMAN**  
EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER

**Mr Abram Melkyzedek Suhardiman** was appointed as the Executive Director of the Company on 26 April 2019 and was re-designated from Chief Operating Officer to Deputy Chief Executive Officer (“**Deputy CEO**”) of the Company and its subsidiaries (“**Group**”) on 10 February 2020. He has assumed the role of Chief Operating Officer of the Company/ Group since year 2017 until the re-designation as Deputy CEO. He was last re-appointed on 6 July 2020 as an Executive Director of the Company.

Mr Suhardiman is responsible for overseeing the Group’s operations and corporate support functions including finance, legal, marketing, human resources, corporate communications and

information technology divisions, whilst assisting the Chief Executive Officer in strategic planning and managing all aspects of the Company and the Group’s business.

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

## BOARD OF DIRECTORS



**DR STEPHEN RIADY**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

**Dr Stephen Riady** was appointed as a Non-Independent Non-Executive Director of the Company on 16 August 2017 and was re-appointed on 26 April 2021. He is a deemed controlling shareholder of the Company. Details of his deemed shareholdings can be found on pages 63 and 139 to 141 of the Annual Report.

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

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

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

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

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

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

## BOARD OF DIRECTORS



**MR ANAND KUMAR**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

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

Mr Kumar has over 29 years of experience in Investments, Mergers & Acquisitions, Equity Capital Markets and Leveraged Finance in Southeast Asia with a strong network of relationships in the region. Prior to co-founding Gateway Partners in 2014, Mr Kumar held leadership positions in several

leading investment banks including Standard Chartered Bank and Morgan Stanley.

He is a Non-Executive Director of TVS Supply Chain Solutions Limited (India), and member of the Board of Commissioners of PT Lippo Karawaci Tbk (Indonesia) and PT Lippo Cikarang Tbk (Indonesia), as well as an Independent Director of Tube Investments of India Limited and Cholamandalam Investment and Finance Company Limited.

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



**MR CHEN YEOW SIN**

LEAD INDEPENDENT DIRECTOR

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

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

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

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

## BOARD OF DIRECTORS



**MS ALIZA KNOX**  
Independent Director

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

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

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

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

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

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

## ADVISORY BOARD



**MR TAN CHUAN-JIN**

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

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

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



**DR LILY NEO**

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

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



**PROFESSOR BERNARD YEUNG**

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

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

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

## SENIOR MANAGEMENT



**DR KHOR CHIN KEE**  
CHIEF EXECUTIVE OFFICER

**Dr Khor Chin Kee** is the Chief Executive Officer (“**CEO**”) of Healthway Medical Corporation Limited. As CEO, Dr Khor leads and oversees all decisions made by the company, as well as the development of its strategy and direction.

As Co-founding Partner of Healthway Medical in 1990, Dr Khor went on to hold the role of CEO in United Vision Holdings Pte Ltd, AsiaMedic Ltd and Parkway Shenton, before returning to Healthway Medical Corporation Limited to serve as Senior Medical Advisor and subsequently CEO. He also currently holds a directorship position in uCare.io Pte. Ltd.



**MR ABRAM MELKYZEDECK SUHARDIMAN**  
DEPUTY CHIEF EXECUTIVE OFFICER

**Mr Abram Melkyzedek Suhardiman** is the Deputy Chief Executive Officer and Executive Director of Healthway Medical Corporation Limited. Mr Suhardiman assists the CEO and is responsible for overseeing the Group’s operations and corporate support functions including finance, legal, marketing, human resources, corporate communications, and information technology divisions.

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



**MR SACHIN SHETH**  
CHIEF FINANCIAL OFFICER

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

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

Singapore and the rest of Africa. He has more than 24 years of cross-border international experience in the field of finance, banking, M&A, accounting, auditing and taxation and has held several senior roles with local and international companies covering Asia-Pacific, Africa and the European region.

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

## SENIOR MANAGEMENT



**MR AYUSH JOHARI**

VICE PRESIDENT, SPECIALIST DIVISION

**Mr Ayush Johari** is the Vice President, Specialist Division at Healthway Medical Corporation Limited. He oversees the operations of the Specialist Division and Health Screening. In addition, he helps to drive operational innovation and efficiency across the Group's clinics through technology and streamlining of the core business functions. He is also the Group's designated Data Protection Officer.

Prior to his role at HMC, Mr Johari served the position of Head of Operations and Technology at Capital Health Screening Centre, one of Mubadala Healthcare's entity in Abu Dhabi.

Mr Johari has more than 12 years of experience in the field of technology and innovation and holds a Bachelors in Computer Engineering from Purdue University, Indiana, United States of America.



**MR LOUIS POEY**

VICE PRESIDENT, PROJECTS AND QUALITY ASSURANCE

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

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

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

In addition, he also oversees the various aspects of Quality Assurance ("**QA**") in the Company.

In addition to more than 20 years of experience in the healthcare and service industry, Mr Poey has also managed large scale national events in collaboration with the Ministry of Health, to deploy doctors and nurses during the Inaugural Singapore Youth Olympic Games and the 28<sup>th</sup> SEA Games in 2010 and 2015 respectively.

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



**MR JORDAN ISAC**

VICE PRESIDENT, COMMUNICATIONS AND SPECIALIST RECRUITMENT

**Mr Jordan Isac** is Vice President, Communications and Specialist Recruitment at Healthway Medical Corporation Limited.

Mr Isac previously held the post of Vice President, HR and Business Development. With an increased focus on talent acquisition of specialists, the Group assigned Mr Isac with the task of developing talent acquisition strategies that is vital to the growth of the Specialist Division.

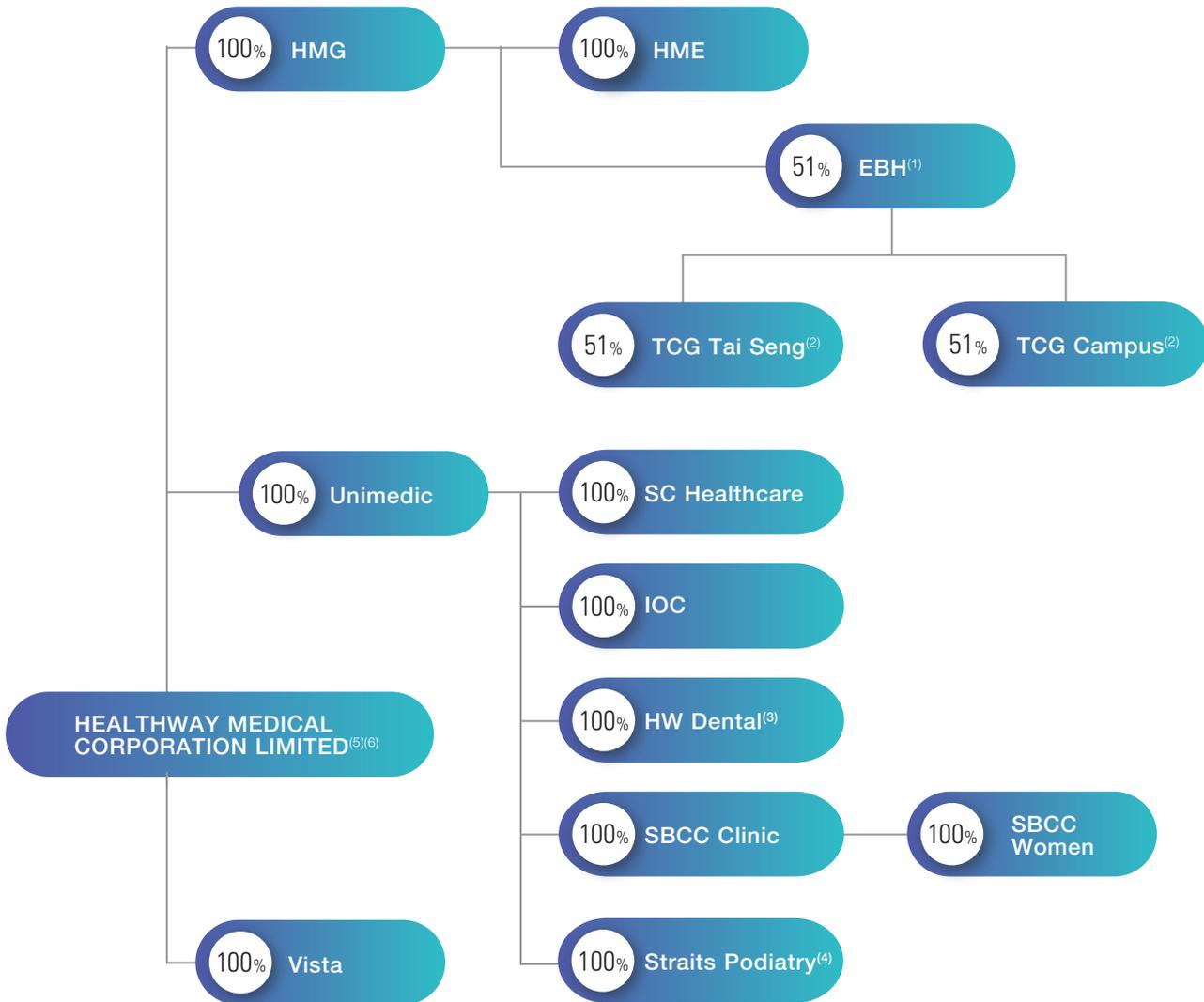
Mr Isac also leads the Group's communication and public relations functions.

He is also part of the Chairman's Office, OUE Limited, where he has been involved in various real estate development projects, including OUE Twin Peaks, OUE Downtown and US Bank Tower. Prior to this, Mr Isac served in the Ministry of Foreign Affairs, Singapore, where he covered political developments in the ASEAN and South Asia Directorates.

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

## OUR GROUP STRUCTURE

As at 31 December 2021  
(unless otherwise stated)



(1) EBH also holds interests in 7 other TCG subsidiaries. Details can be found on pages 104 to 106 of the Annual Report.

(2) HMG has a direct and indirect interest of 51% in TCG Tai Seng and TCG Campus. Details can be found on pages 104 to 106 of the Annual Report.

(3) On 1 January 2022, Unimedic divested 40% of its wholly-owned subsidiary (HW Dental). Following the divestment, Unimedic has a direct interest of 60% in HW Dental as at the date of this Annual Report.

(4) Straits Podiatry was incorporated by Unimedic on 2 March 2022.

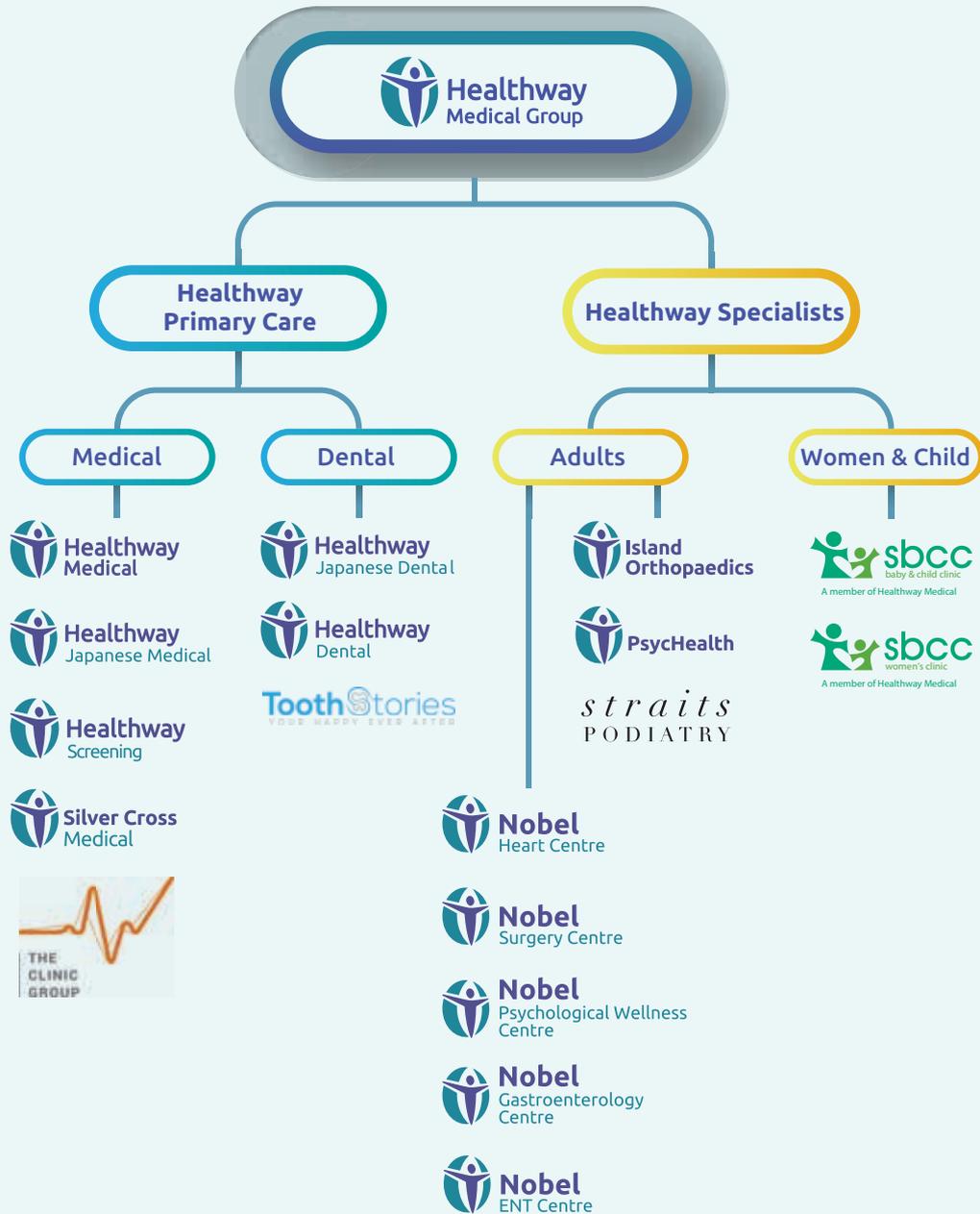
(5) Kang Wei (Shanghai), a wholly-owned subsidiary of Crane Medical, was disposed of with effect from 24 December 2021. On 30 December 2021, as part of the Group's regular review of our group structure and operations, the Company had voluntarily struck off China Healthway together with its subsidiaries (China Unimedic and Crane Medical).

(6) The Company's investment in an associate, i.e. Mednefits Holdings Pte. Ltd. (formerly known as Fully Holdings Pte. Ltd.) (14.81%) is excluded from the group structure above.

## GROUP STRUCTURE DEFINITIONS

Current Entities	
“EBH”	: EBH Capital Pte. Ltd.
“HME”	: Healthway Medical Enterprises Pte Ltd
“HMG”	: Healthway Medical Group Pte Ltd
“HW Dental”	: Healthway Dental Pte. Ltd.
“IOC”	: Island Orthopaedic Consultants Pte Ltd
“SBCC Clinic”	: SBCC Clinic Pte Ltd
“SBCC Women”	: SBCC Women Clinic Pte. Ltd.
“SC Healthcare”	: Silver Cross Healthcare Pte Ltd
“Straits Podiatry”	: Straits Podiatry Pte. Ltd.
“TCG Campus”	: The Clinic @ Campus Pte. Ltd.
“TCG Tai Seng”	: The Clinic @ Tai Seng Pte. Ltd.
“Unimedic”	: Unimedic Pte. Ltd.
“Vista”	: Vista Medicare Pte. Ltd.
Ceased/Disposed Entities as at the date of the Annual Report	
“China Healthway”	: China Healthway Pte. Ltd.
“China Unimedic”	: China Unimedic Pte. Ltd.
“Crane Medical”	: Crane Medical Pte. Ltd.
“Kang Wei (Shanghai)”	: Kang Wei Investment Consultancy (Shanghai) Co., Ltd.

# BRAND ARCHITECTURE



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**SIN BOON ANN** (*Independent Chairman*)

**DR STEPHEN RIADY** (*Non-Independent Non-Executive Director*)

**ANAND KUMAR** (*Non-Independent Non-Executive Director*)

**ABRAM MELKYZEDECK SUHARDIMAN** (*Executive Director and Deputy Chief Executive Officer*)

**CHEN YEOW SIN** (*Lead Independent Director*)

**ALIZA KNOX** (*Independent Director*)

### AUDIT AND RISK COMMITTEE

**CHEN YEOW SIN**, *Chairman*

**SIN BOON ANN**, *Member*

**ALIZA KNOX**, *Member*

### NOMINATING COMMITTEE

**CHEN YEOW SIN**, *Chairman*

**SIN BOON ANN**, *Member*

**ALIZA KNOX**, *Member*

### REMUNERATION COMMITTEE

**SIN BOON ANN**, *Chairman*

**CHEN YEOW SIN**, *Member*

**ALIZA KNOX**, *Member*

### COMPANY SECRETARIES

**CHEN CHUANJIAN, JASON**

**CHEW PEI TSING**

### SPONSOR

PRIMEPARTNERS CORPORATE  
FINANCE PTE. LTD.  
16 Collyer Quay  
#10-00 Income at Raffles  
Singapore 049318

### SHARE REGISTRAR

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

### REGISTERED OFFICE

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

### AUDITORS

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

### PRINCIPAL BANKERS

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

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

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

# REPORT OF CORPORATE GOVERNANCE

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

This report describes the corporate governance structure and practices adopted by the Company with reference to the principles and provisions under the Code which forms part of the continuing obligations under the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”). For the financial year ended 31 December 2021 (“**FY2021**”), the Company has complied with the principles and provisions set out in the Code and the Catalist Rules, where appropriate. Where the Company’s practices vary from the provisions of the Code and accompanying Practice Guidance, specific disclosures and appropriate explanations are provided.

## (A) BOARD MATTERS

### THE BOARD’S CONDUCT OF AFFAIRS

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

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

Mr Sin Boon Ann	Independent Chairman
Dr Stephen Riady	Non-Independent Non-Executive Director
Mr Anand Kumar	Non-Independent Non-Executive Director
Mr Abram Melkyzedeck Suhardiman	Executive Director and Deputy Chief Executive Officer
Mr Chen Yeow Sin	Lead Independent Director
Ms Aliza Knox	Independent Director

### Provision 1.1 – Principal Duties of the Board

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

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

### **Conflict of Interest**

All Directors of the Company are expected to be cognisant of their statutory duties, and to discharge them objectively in the interest of the Company. Where there are circumstances of conflict of interest/possible conflict of interest on any transaction/proposed transaction with the Company/the Group, the Director(s) involved are required to disclose his/her interests in a timely manner and recuse from participating in the meetings, discussions, and decisions on the matter. Such compliance will be recorded in the minutes of meeting and/or directors’ resolutions in writing from time to time, when applicable.

# REPORT OF **CORPORATE GOVERNANCE**

## **Provision 1.2 – Continuous Training and Development of Directors**

Newly appointed Directors undergo an orientation program with materials provided to familiarise them with the business and organisation structure of the Group. Any newly appointed Director who has no prior experience as a director of a Singapore-listed company is required to attend the relevant prescribed training on the roles and responsibilities as a director of a listed company in Singapore, conducted by the Singapore Institute of Directors (“SID”).

To get a better understanding of the Group’s business, the Directors are also given the opportunity to visit the Group’s operational facilities and meet with members of the Management.

The Directors are provided with opportunities to develop and maintain their skills and knowledge, particularly on applicable new laws, regulations, as well as trainings in areas such as accounting, legal and industry-specific knowledge, as appropriate. The Company endeavours to provide Directors with opportunities to develop and maintain their skills and knowledge at the Company’s expense. Directors are encouraged to attend training courses organised by the SID or other training institutions in connection with their duties as Directors on an on-going basis, at the Company’s expense. The Company had signed up for a corporate membership with the SID, which provides a one-stop corporate governance resources centre for Directors to receive further relevant knowledge and personal development. As part of the continuous development, the Company has dedicated Directors’ training fund for the purpose of training and professional development programme for the Directors.

The details of seminars, conferences and training programmes attended by some of the Director(s) in FY2021 include:

- SID – ACRA-SGX-SID Audit Committee Seminar 2021
- SID – Why Board Diversity Matters

During FY2021, Management had kept the Directors apprised during Board and Board Committee meetings on pertinent developments in the Group’s business to facilitate the discharge of their duties.

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

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

## **Provision 1.3 – Matters Requiring Board’s Approval**

Matters which specifically require the Board’s decision or approval, apart from its statutory duties, are those involving:

- (a) corporate strategy and business plans;
- (b) investment and divestment proposals;
- (c) funding decisions of the Group;
- (d) nominations of Directors for appointment to the Board and appointment of key personnel;

## REPORT OF **CORPORATE GOVERNANCE**

- (e) announcement of half year and full year results, annual report and financial statements;
- (f) material acquisitions and disposal of assets; and
- (g) all matters of strategic importance.

The Company has adopted a guideline and policy of authority limits for operation and capital expenditures for the Group which sets out the procedures and level of authorization required for specific transactions.

### **Provision 1.4 – Delegation of Authority to Board Committees**

To facilitate effective Management, the Board is supported by three board committees, namely the audit and risk committee (the “**ARC**”), the nominating committee (the “**NC**”) and the remuneration committee (the “**RC**”) (collectively, the “**Board Committees**”), all of which operate within clearly defined terms of reference and functional procedures. A management risk committee was formed as a sub-committee of the ARC to oversee the enterprise risk management function of the Group. As of 31 December 2021, the ARC, NC and RC each comprised entirely of independent non-executive Directors.

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

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

The Board conducts scheduled meetings on a quarterly basis for FY2021 to discuss and review the strategic policies of the Group, significant business transactions, performances of the business and approves the release of the half-yearly financial results.

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

The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of these meetings for FY2021 are disclosed as follows:

	<b>Board</b>	<b>ARC</b>	<b>NC</b>	<b>RC</b>
Number of meetings held	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>
<b>Name of Director</b>	<b>Number of meetings attended</b>			
Mr Sin Boon Ann	4	4	1	1
Dr Stephen Riady	3	–	–	–
Mr Anand Kumar	4	–	–	–
Mr Abram Melkyzedeck Suhardiman	4	–	–	–
Mr Chen Yeow Sin	4	4	1	1
Ms Aliza Knox	4	4	1	1

## REPORT OF **CORPORATE GOVERNANCE**

When considering the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments, the NC reviews the time spent and attention given by each of the Directors to the Company's affairs, and to assess the adequacy of all Directors in discharging their duties for FY2021.

### **Provision 1.6 – Access to Information**

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

To ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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

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

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

### **Provision 1.7 – Directors Have Separate and Independent Access to Information**

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

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

# REPORT OF CORPORATE GOVERNANCE

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

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

## **BOARD COMPOSITION AND GUIDANCE**

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

### **Provision 2.1 – Independence of the Board**

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

In its deliberation on whom may be considered as independent, the Board takes into account the views of the NC and adopts the Code's definition of independence in its review. The Board considers whether a Director had business relationships with the Group, its related corporations, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

Each Director is required to disclose to the Board any relationships or circumstances which are likely to affect or could appear to affect the Director's judgement, as and when they arise. The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code.

The NC adopts the definition in the Code and the Catalist Rules as to what constitutes an independent director in its review to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Taking into consideration factors above, the NC is of the view that Mr Chen Yeow Sin, Mr Sin Boon Ann and Ms Aliza Knox remain independent. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. All Independent Directors have also provided written declaration confirming their independence in accordance with the Code for FY2021.

## REPORT OF **CORPORATE GOVERNANCE**

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

The Board currently has six (6) Directors, comprising three (3) Independent Directors, two (2) Non-Independent Non-Executive Directors and one (1) Executive Director. With at least half of the Board consisting of Independent Directors, there is a strong element of independence on the Board. Information regarding each Board member is provided under the Board of Directors section set out on pages 10 to 13 of this report. With their expertise and competency in their respective fields, the Board engages in open and constructive debate and challenges Management on its strategy proposals and assists in reviewing the performance of Management in achieving set objectives. They are well-supported by Management with accurate, complete and timely information to enable them to make informed decisions.

Pursuant to Provision 2.2 of the Code, the Independent Directors shall make up of a majority of the Board where the Chairman is not independent. As the Chairman of the Board, Mr Sin Boon Ann, is an Independent Director, this provision is not applicable to the Company. The Company has also complied with Provision 2.3 of the Code whereby five (5) out of six (6) of its directors are non-executive directors.

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

The Company strives to achieve an appropriately balanced mix of talent on the Board, principally through combining Directors with diverse but complementary backgrounds and experiences, but also through gender and racial diversity. Each Director has been appointed based on the strength of his/her calibre, experience and stature. The Board is made up of Directors with a wide range of skills, experience and qualifications, ranking from legal, accounting and finance expertise to industry knowledge, entrepreneurial and management experiences relevant to the Group's business.

The Board and Board Committees comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge and strategic planning experience as follows:

<b><i>Balance and Diversity of the Board</i></b>		
	<b>Number of Directors</b>	<b>Proportion of Board</b>
<b>Core Competencies</b>		
– Accounting or finance	3	50%
– Business management	6	100%
– Legal or corporate governance	5	83%
– Relevant industry knowledge or experience	3	50%
– Strategic planning experience	6	100%
– Customer based experience or knowledge	6	100%

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

The Company has put in place a Board Diversity Policy which provides that, in reviewing the Board composition, the NC will consider the benefit of all aspects of diversity, including diversity of skills, experiences, gender, age, ethnicity and other relevant factors.

# REPORT OF **CORPORATE GOVERNANCE**

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

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

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

None of the Independent Directors has served on the Board beyond nine (9) years from the date of his/her first appointment.

## **Provision 2.5 – Meetings of the Non-Executive Directors**

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

To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, such Directors are provided unrestricted access to Management. Where necessary, the Company would co-ordinate information sessions for Non-Executive Directors to meet on a need-basis with relevant external auditors of the Group or amongst the Non-Executive Directors, without the presence of Management.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

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

The Board is chaired by Mr Sin Boon Ann, Independent Chairman of the Company, appointed at the Annual General Meeting (“AGM”) of the Company held on 26 April 2019.

The Chairman and the CEO, Dr Khor Chin Kee, are not related to each other. There is a clear division of responsibilities between the Chairman and the CEO, which ensures a balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

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

# REPORT OF **CORPORATE GOVERNANCE**

## **Provision 3.2 – Roles and Responsibilities of Chairman/CEO**

### **Role of Chairman**

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process. He promotes an open environment for debates, ensures sufficient allocation of time for thorough discussion of board meeting agenda and provides close oversight, guidance, advice and leadership to the CEO and Management. The Chairman, with consultation of Management, sets the agenda of the Board meetings and ensures that all Board members are provided with complete, adequate and timely information. As a rule, the Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings. The Chairman also plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management.

### **Role of the CEO**

Dr Khor Chin Kee, supported by Mr Abram Melkyzedeck Suhardiman, the Deputy CEO of the Company, is responsible for the overall management and operations of the Group which includes effectively managing and supervising the day-to-day business operations of the Group in accordance with the strategic plans endorsed by the Board, regular report to the Board on all aspects of the Group's operations and performance, monitoring and reviewing of risk management function and the operation of the management risk committee.

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

## **Provision 3.3 – Lead Independent Director**

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

Although the Chairman of the Board is independent, the Company had voluntarily retained Mr Chen Yeow Sin as the Lead Independent Director ("**Lead ID**") for good corporate governance initiative. Mr Chen acts as the leader of the Independent Directors at Board Meetings to provide non-executive perspectives and contribute a balance of viewpoints on the Board. In addition, Shareholders with concerns may contact the Lead ID where their concerns cannot be resolved through the normal channels via the Chairman or CEO, or Deputy CEO or when such contact is not possible, inappropriate, or inadequate.

## **BOARD MEMBERSHIP**

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

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

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

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

# REPORT OF **CORPORATE GOVERNANCE**

The NC is established to ensure there is a formal and transparent process for the appointment and re-appointment of Directors. The NC has written terms of reference that describe the responsibilities of its members.

The NC's terms of reference set out its roles and responsibilities. The principal functions of the NC are as follows:

- reviewing and recommending to the Board;
  - i. candidates for the appointment or re-appointment of members of the Board, the CEO, president and executive directors of the Company, members of the various Board Committees and key management personnel;
  - ii. board succession plans for Directors in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
  - iii. training and professional development programs for the Board and its Directors; and
  - iv. the criteria for identifying candidates and reviewing nominations for the appointments.
- proposing the process and objective performance criteria for and undertake regular evaluation of the Board, its Board committees and that of the contribution and performance (e.g. attendance, preparedness, participation and candour) of each individual Director to the effectiveness of the Board;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- reviewing the appointment and re-appointment of Directors (including alternate Directors, if any);
- identifying gaps in the mix of skills, experience and other qualities required in an effective board so as to better nominate or recommend suitable candidate(s) to fill these gaps; and
- determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in the Code and the relevant Catalist Rules.

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

The NC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:

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

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

## REPORT OF **CORPORATE GOVERNANCE**

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

All Directors are also subject to the provisions of the Constitution whereby at least one-third (1/3) of the Directors are required to retire and subject themselves to re-election by Shareholders at every AGM. Further, all the above Directors are also required to retire from office at least once in every three years. Shareholders will be provided with relevant information of the candidates for election or re-election.

The NC also oversees the nomination of Directors for election or re-election and each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her re-election as Director. When deliberating the nomination of Directors for re-election and re-appointment, the NC takes into consideration the Directors' attendance, participation, contribution, commitment, and performance during the previous year, and where applicable, the retiring Directors' independence.

In accordance with Regulation 98 of the Company's Constitution and Rule 720(4) of the Catalist Rules, the following Directors are due for retirement at the forthcoming AGM:

- (a) Mr Sin Boon Ann; and
- (b) Mr Abram Melkyzedek Suhardiman;

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

After consideration of the Retiring Directors' overall contribution and performance, the NC had recommended to the Board that Mr Sin Boon Ann and Mr Abram Melkyzedek Suhardiman be nominated for re-election at the forthcoming AGM pursuant to Regulation 98 of the Company's Constitution. Both Directors have expressed their willingness to be re-elected as a Director of the Company at the forthcoming AGM, and upon re-election:

- (a) Mr Sin Boon Ann shall remain as an Independent and Non-Executive Chairman, Chairman of the RC, and a member of the ARC and NC respectively; and
- (b) Mr Abram Melkyzedek Suhardiman shall remain as Executive Director and Deputy Chief Executive Officer.

The additional information relating to the Retiring Directors as required under Rule 720(5) of the Catalist Rules can be found on pages 53 to 61 of this report.

# REPORT OF **CORPORATE GOVERNANCE**

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

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

#### **Provision 4.4 – NC to Determine Directors' Independence**

The NC deliberates annually, to determine the independence of a Director, in line with the relevant provisions and salient factors in the Code. No member of the NC participated in the deliberation in respect of his/her own status as an Independent Director. Each of the Independent Directors has also signed a declaration of independence based on the substantive requirements of the Code and confirmed that he/she does not have any relationship with his/her fellow Directors or with the Group and its substantial shareholders.

#### **Provision 4.5 – Commitments of Directors sitting on Multiple Directorships**

In assisting the NC to determine whether the Directors who have multiple board representations are able to adequately carry out their duties and commitments towards the Group, the Directors have adopted a form of internal guidelines whereby Directors are required to apprise the Board of their other listed company directorships and other principal commitments.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that all Directors have discharged their duties adequately for FY2021. As such, the Board does not propose to set the maximum number of listed company board representations and principal commitments which Directors may hold, until such time when the need arises. The NC would continue to review from time to time, the board representations and principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

## REPORT OF **CORPORATE GOVERNANCE**

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

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Mr Sin Boon Ann	26 April 2019	6 July 2020	<u>Singapore</u> <ul style="list-style-type: none"> <li>• TIH Limited</li> <li>• HRnetGroup Limited</li> <li>• Rex International Holding Limited</li> <li>• OUE Limited</li> <li>• CSE Global Limited</li> <li>• Sarine Technologies Ltd.</li> <li>• The Trendlines Group Ltd.</li> </ul>	<u>Singapore</u> <ul style="list-style-type: none"> <li>• Datapulse Technology Limited</li> </ul>	<u>Singapore</u> <ul style="list-style-type: none"> <li>• Drew &amp; Napier LLC (Consultant)</li> </ul>
Dr Stephen Riady	16 August 2017	26 April 2021	<u>Singapore</u> <ul style="list-style-type: none"> <li>• OUE Limited</li> </ul> <u>Overseas</u> <ul style="list-style-type: none"> <li>• Lippo Limited</li> <li>• Lippo China Resources Limited</li> <li>• Hongkong Chinese Limited</li> </ul>	<u>Singapore</u> <ul style="list-style-type: none"> <li>• OUE Lippo Healthcare Limited (Retired on 25 April 2019)</li> </ul>	Executive Chairman and Group Chief Executive Officer of: <ul style="list-style-type: none"> <li>• OUE Limited</li> </ul> Executive Director, Chairman and Executive President of: <ul style="list-style-type: none"> <li>• Lippo Limited</li> <li>• Lippo China Resources Limited</li> <li>• Hongkong Chinese Limited</li> </ul> Executive Director of: <ul style="list-style-type: none"> <li>• Auric Pacific Group Limited</li> </ul>

REPORT OF **CORPORATE GOVERNANCE**

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

# REPORT OF CORPORATE GOVERNANCE

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
					<p><u>Overseas</u></p> <ul style="list-style-type: none"> <li>• Gateway Partners Limited</li> <li>• Gateway Partners II Limited</li> <li>• Gateway (Cayman) Limited</li> <li>• Gateway Holdings Limited</li> <li>• Gateway Capital Partners Limited</li> <li>• GW Active Limited</li> <li>• GW Investments Limited</li> <li>• GW Partners Investments Limited</li> <li>• Angsana International Limited</li> <li>• ASN Investments Limited</li> <li>• Tecoma Finance Limited</li> <li>• TVS Supply Chain Solutions Limited</li> <li>• DRSR Logistics Services Private Limited</li> <li>• Angsana Finance Limited</li> <li>• Leopard Tree Finance Limited</li> <li>• Narra Finance Limited</li> <li>• Land Registration Systems Inc. (LARES)</li> </ul> <p><u>As Chairman and President</u></p> <ul style="list-style-type: none"> <li>• Falcon SG Holding (Philippines), Inc</li> </ul> <p><u>As Member of Board of Commissioners</u></p> <ul style="list-style-type: none"> <li>• PT Lippo Karawaci Tbk</li> <li>• PT Lippo Cikarang Tbk</li> </ul> <p>All the above entities are entities associated with Mr Kumar's principal occupation as a Partner and Investment Committee member at Gateway Partners.</p>

## REPORT OF CORPORATE GOVERNANCE

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Mr Abram Melkyzedeck Suhardiman	26 April 2019	6 July 2020	<u>Singapore</u> <ul style="list-style-type: none"> <li>• TIH Limited</li> </ul>	–	<u>Singapore</u> <ul style="list-style-type: none"> <li>• MoolahGo Pte. Ltd.</li> <li>• The Clinic @ One George Street Pte. Ltd.</li> <li>• The Clinic @ Campus Pte. Ltd.</li> <li>• The Clinic @ Fusionopolis Pte. Ltd.</li> <li>• The Clinic @ Aperia Pte. Ltd.</li> <li>• The Clinic @ CapitaGreen Pte. Ltd.</li> <li>• The Clinic @ Business City Pte. Ltd.</li> <li>• The Clinic @ Tai Seng Pte. Ltd.</li> <li>• The Clinic @ Marina One Pte. Ltd.</li> <li>• The Clinic @ HF Pte. Ltd.</li> <li>• EBH Capital Pte. Ltd.</li> <li>• Straits Podiatry Pte. Ltd. (Effective from 2 March 2022)</li> </ul> <u>Overseas</u> <ul style="list-style-type: none"> <li>• City Ocean Group Limited</li> </ul>
Mr Chen Yeow Sin	21 July 2017	6 July 2020	–	–	<u>Singapore</u> <ul style="list-style-type: none"> <li>• One Consulting Group Pte. Ltd.</li> <li>• One Financial Advisory Services Pte. Ltd.</li> <li>• One e-Risk Services Pte. Ltd.</li> <li>• One Tax Services Pte. Ltd.</li> <li>• One Outsource Services Pte. Ltd.</li> <li>• One Partnership PAC (Managing Director)</li> </ul>
Ms Aliza Knox	6 November 2020	26 April 2021	<u>Overseas</u> <ul style="list-style-type: none"> <li>• Tyro Payments Limited</li> </ul>	<u>Overseas</u> <ul style="list-style-type: none"> <li>• Scentre Group (ceased w.e.f. 8 April 2020)</li> </ul>	<u>Singapore</u> <ul style="list-style-type: none"> <li>• Azentio Software Private Limited</li> </ul> <u>Overseas</u> <ul style="list-style-type: none"> <li>• Health Metrics Pty Ltd</li> </ul>

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

# REPORT OF **CORPORATE GOVERNANCE**

## **BOARD PERFORMANCE**

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

### **Provisions 5.1 and 5.2 – Board Performance and Board Evaluation**

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

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

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

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

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

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

# REPORT OF CORPORATE GOVERNANCE

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

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

## **(B) REMUNERATION MATTERS**

### **PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

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

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

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

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

The principal functions of the RC are as follow:

- reviewing and recommending specific remuneration packages, including annual increments, variable bonus, share option grants and other incentive plans, of the Executive Chairman, Executive Directors and key management personnel;
- recommending to the Board the policies and general framework for remuneration of the Board and key management personnel; and
- reviewing and recommending the Non-Executive Directors and each Non-Executive Director's fees and remuneration, for Shareholders' approval at the AGM.

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

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

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

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021.

# REPORT OF **CORPORATE GOVERNANCE**

## LEVEL AND MIX OF REMUNERATION

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

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

The Non-Executive Directors do not have any service agreements with the Company, and they receive Directors' fees which are pro-rated according to their appointment date, where applicable, and based on their contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable.

The RC adopted the guidelines set out in the Statement of Good Practice issued by the SID to determine the scale of the Directors' fees for FY2021. The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. Except for Dr Stephen Riady, Mr Anand Kumar and Mr Abram Melkyzedeck Suhardiman, all Directors will receive a base fee for being a member of the Board and additional fees for being a chairman and/or member of the Board Committees (collectively, the "**Directors' fees**"), which are subject to the Shareholders' approval at the forthcoming AGM.

For the financial year under review, the Independent Directors of the Company will be paid Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. Further details of the breakdown of the remuneration of each Director are provided on page 40 of this report.

The review of the remuneration of the Executive Director and key management personnel takes into consideration the performance and the contributions of the Executive Director and key management personnel to the Company based on their distinct individual's job responsibilities and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully. The RC also has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises. There is no remuneration consultant engaged for provision of professional advice on remuneration matters in FY2021.

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

# REPORT OF CORPORATE GOVERNANCE

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

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

Notwithstanding the challenging environment in FY2021, the RC is satisfied that the performance conditions were met for FY2021.

There is no termination, retirement or any post-employment benefits to Directors and key management personnel during FY2021.

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

The Company had adopted a Healthway Medical Performance Share Plan (the “**Performance Share Plan**”) which was approved by the Shareholders of the Company at the extraordinary general meeting held immediately after the AGM of the Company on 26 April 2019. The grant of share awards to employees (including doctors) under the Performance Share Plan is designed to motivate staff towards strategic business objectives and for staff retention, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organizational commitment, dedication and loyalty of the eligible participants to the Group. The Company had performed various share buy-back exercises during FY2019 and had granted and vested share awards to the eligible participants on 27 March 2020. There was no share buy-back exercise carried out during the financial year under review. The second tranche of share awards were vested on 29 March 2021 in accordance with the vesting timeline scheduled which was announced via the Company’s SGX announcement made on 27 March 2020.

## **DISCLOSURE ON REMUNERATION**

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

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

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

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

## REPORT OF CORPORATE GOVERNANCE

The breakdown of the remuneration (in percentage terms) of each Director and the CEO for FY2021 is set out below:

Name of Director/CEO	Fee	Salary	Bonus	Benefits*	Total
	%	%	%	%	%
<b>Below S\$250,000</b>					
Mr Sin Boon Ann	100	–	–	–	100
Dr Stephen Riady	–	–	–	–	–
Mr Anand Kumar	–	–	–	–	–
Mr Chen Yeow Sin	100	–	–	–	100
Ms Aliza Knox	100	–	–	–	100
<b>S\$250,000 to below S\$500,000</b>					
Mr Abram Melkyzedeck Suhardiman	–	53.4	46.0	0.6	100
<b>S\$750,000 to below S\$1,000,000</b>					
Dr Khor Chin Kee	–	57.3	42.2	0.5	100

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

The Code defines "key management personnel" as the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company takes the view that, save for the CEO and Deputy CEO, there are no other persons that have the authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Company only has two (2) key management personnel during FY2021.

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

Mr Abram Melkyzedeck Suhardiman, the Executive Director and Deputy CEO of the Group, is the son-in-law of Dr Stephen Riady, the Non-Independent Non-Executive Director of the Company, and his remuneration was within the band of S\$400,000 to S\$500,000 in FY2021. The remuneration of the spouse of the CEO of the Company (Dr Chong Bick Yew) in FY2021 was within the band of S\$200,000 to S\$300,000. Save as disclosed, there are no employees who are immediate family members of a director or CEO or a substantial shareholder and whose remuneration exceeds S\$100,000 during the year.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances such as misstatement of financial results, or of misconduct resulting in financial loss.

# REPORT OF **CORPORATE GOVERNANCE**

## **(C) ACCOUNTABILITY AND AUDIT**

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

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

#### **Provision 9.1 – Risk Management and Internal Control System**

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

The Group has put in place an enterprise risk management framework that incorporates a risk register to capture significant business risks, optimise resources and strategies and internal controls to mitigate the Group's risks.

To assist the ARC in its oversight of risk management and internal control functions, a management risk committee was formed during FY2019 under a written term of reference. The management risk committee was headed by Dr Khor Chin Kee, the Group CEO, and other committee members include Deputy CEO, Chief Operating Officer ("**COO**") (there was no COO appointed at the moment), Chief Financial Officer ("**CFO**"), Deputy COO (there was no Deputy COO appointed at the moment) or any officers or employees of the Group/Company which the committee deems appropriate. The management risk committee reports to the ARC on half-yearly basis. The management risk committee undertakes risk review from the Group's perspective, records the inherent risks, conduct cause and impact analysis, risk treatment and assessment of residual risks and target residual risks.

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

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

The Board has received the assurance (the "**Assurance**") from:

- (i) the CEO and the CFO that the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Company and the Group's operations and finances; and
- (ii) the management risk committee of the Company, led by the CEO, that the Group's risk management and internal control systems were adequate and effective for FY2021, based on enterprise risk management framework and the internal control policies and procedures established and maintained by the Company and the Group.

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

## REPORT OF **CORPORATE GOVERNANCE**

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

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors in the course of their statutory audit, reviews performed by Management and various Board Committees and the Assurance received, the Board with the concurrence of the ARC is of the opinion that the Group's internal controls including the financial, operational, compliance and information technology controls and risk management systems of the Company were adequate and effective as at 31 December 2021.

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

The Company is gradually placing emphasis on sustainability reporting and further details on the policies and programmes would be disclosed in the Sustainability Report of the Company for FY2021 to be released to the SGX-ST via SGXNet by 31 May 2022.

### **AUDIT AND RISK COMMITTEE ("ARC")**

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

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

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

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

The ARC assists the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, and in developing and maintaining effective systems of risk management and internal control. The Board is of the view that all members of the ARC have sufficient accounting and/or related financial management expertise and experience in discharge their responsibilities as members of the ARC. None of the ARC members were former partners or directors of the Company's current external auditor, Ernst & Young LLP ("**EY**"), and the internal auditor, Messrs Baker Tilly TFW ("**Baker Tilly**") within the last two (2) years or hold any financial interest in EY and Baker Tilly.

The Board is of the view that the ARC for FY2021 has the necessary experience and expertise required to discharge its duties.

The principal responsibilities of ARC include the following:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of announcements and press releases related to the financial statements and/or performance of the issuer;

## REPORT OF **CORPORATE GOVERNANCE**

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

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

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

## REPORT OF **CORPORATE GOVERNANCE**

The ARC meets with the external and internal auditors, without the presence of Management, at least annually, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors. The ARC has reasonable resources to enable it to discharge its functions properly. The external auditors present to the ARC the audit plan and updates relating to any change of accounting standards which have a direct impact on financial statements during the ARC meetings. The ARC has met with the external and internal auditors once, without the presence of Management during FY2021.

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

The aggregate amount of fees paid or payable to EY, broken down into audit and non-audit services during FY2021 are as follows:

Audit fees	S\$315,000
Non-audit fees	—
<b>Total</b>	<b><u>S\$315,000</u></b>

The ARC noted there are no non-audit services provided by EY and has reviewed the objectivity provided and is satisfied that EY is independent.

### **Provision 10.4 – Internal Auditor**

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

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

### **Adequacy and Effectiveness of the Internal Audit Functions**

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

## REPORT OF **CORPORATE GOVERNANCE**

In FY2021, the ARC has reviewed with Baker Tilly their audit plan and their evaluation of the system of internal controls, their findings relating to the effectiveness of material internal controls, including financial, operational and compliance controls and Management's responses to those findings. The team performing the internal audit comprises Certified Internal Auditors and the Partner has audit experience in the healthcare industry. The ARC, based on the feedback and confirmation received from Baker Tilly, is satisfied that Baker Tilly is independent, effective, adequately qualified (given, inter alia, its adherence to IPPF) and sufficiently resourced and has the appropriate standing within the Group to discharge its duties effectively.

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

The Company's internal and external auditors were invited to attend ARC Meetings during FY2021 and make presentation, as appropriate. Both auditors also met separately with the ARC without the presence of Management, to provide them with the opportunity to discuss unreservedly and to raise any pertinent issues without restrictions or interference.

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

<b>Significant matter</b>	<b>How the ARC reviewed the matter and what decisions were made</b>
Purchase price allocation for the acquisition of subsidiaries	<p>The ARC considered the approach and valuation methodology applied in valuing the net identifiable assets and financial instruments in the purchase price allocation exercise.</p> <p>It reviewed the reasonableness of its methodology and assumptions used in deriving the valuation of the financial instruments performed by the external valuation expert.</p> <p>The purchase price allocation for the acquisition of subsidiaries was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2021. Refer to page 67 of this report.</p>

## REPORT OF **CORPORATE GOVERNANCE**

Significant matter	How the ARC reviewed the matter and what decisions were made
Impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries	<p>The ARC considered the approach and valuation methodology applied in the impairment assessment for goodwill, brand name with indefinite useful lives and investment in subsidiaries. It reviewed the reasonableness of the cash flow forecast and the key assumptions used which included the revenue growth rates, discount rate and the long-term growth rate.</p> <p>The impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2021. Refer to page 68 of this report.</p>

### Whistle-blowing Policy

The ARC has put in place a whistle-blowing policy, whereby employees of the Group and external parties, which includes the Group's business associates, may in confidence, raise concerns about possible improper financial reporting or other matters to Mr Chen Yeow Sin, the ARC Chairman and the Lead Independent Director. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can be lodged via email to Mr Chen Yeow Sin at [whistleblow@healthwaymedical.com](mailto:whistleblow@healthwaymedical.com).

The ARC reviews all whistle-blowing complaints, if any, at each ARC meeting to ensure independent, thorough investigations and appropriate follow-up actions. Where appropriate, an independent third party may be appointed to assist in the investigation. The Company is committed in ensuring that no person should suffer reprisal or unfair treatment as a result of reporting a genuine concern made in good faith, even if they turn out to be mistaken. The identity of whistleblower is kept confidential at all times.

### (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

#### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information and endeavours to maintain full and adequate disclosure of material event and matters concerning its business, in a timely, fair and transparent manner. Other than the routine announcements made in accordance with the requirements of the Catalist Rules, the Company has issued additional announcements to update Shareholders on the activities of the Company and the Group in FY2021.

# REPORT OF CORPORATE GOVERNANCE

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

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

The Company had provided the Shareholders the opportunity and time to air their views and ask the Directors or the Management questions regarding the Company via various methods. These options include submission of questions in advance of the AGM via the Company’s AGM website, or via a dedicated email address, or via physical submission of questions to a dedicated office address. The Company will continue to do so for its AGM for the financial year 2021, taking into consideration the current COVID-19 situation and in view that the AGM Guidelines are still valid. Substantial and relevant questions received would be answered prior to the proxy form cut-off date of the AGM and published to the public via SGXNet before the due date for the submission of proxy forms, to ensure that Shareholders are able to make informed decision of their votes based on the Company’s responses to the questions received. Shareholders will also be allowed to participate at the AGM by:

- (a) observing and/or listening to the meeting proceedings via live audio-visual webcast and live audio-only stream (“**Live Webcast**”);
- (b) submitting questions in advance;
- (c) appointing Chairman as proxy to vote on his/her behalf at the AGM; and
- (d) submitting text-based questions via the Live Webcast.

In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group’s performance and developments, which will also act as platforms to solicit and understand the view of Shareholders and investors.

The Company endeavours to communicate regularly and effectively with the Shareholders. Currently, the Company does not have an investor relations policy but considers advice from its continuing sponsor, corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to Shareholders. Due to Covid-19 pandemic, the Company would be looking into the implementation of an investor relations policy by end of the year and Shareholders are encouraged to visit the Company’s website at [www.healthwaymedical.com](http://www.healthwaymedical.com) for information of the Company. There is a dedicated investor relations contact (contact number: +65 6323 4415 or email address: [investorrelations@healthwaymedical.com](mailto:investorrelations@healthwaymedical.com)) in the Company’s website where the Shareholders are encouraged to call or write to the Company if they have questions. The investor relations representative will respond to the queries and emails requesting information promptly. The Company’s website is a channel in which communication and engagement with stakeholders are maintained.

# REPORT OF **CORPORATE GOVERNANCE**

The Constitution of the Company allows members of the Company to appoint not more than two (2) proxies (proxy needs not be a member) to attend and vote on their behalf at a general meeting by submitting proxy forms within the stipulated timeline to the Company. These voting mechanisms allow for absentia voting and facilitates members to exercise their voting rights. In line with the amendments to the Act, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two (2) proxies to attend and vote on their behalf at general meetings. Under current Covid-19 situation where AGM was held/would be held electronically, the Shareholders who intend to vote for the AGM resolutions must submit proxy forms to appoint the Chairman of the AGM to vote on his/her behalf.

## **Provision 11.2 – Resolutions to be tabled at General Meetings**

As a matter of good order, separate resolutions are proposed at general meetings for each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. All resolutions are put to vote by poll in the presence of independent scrutineer. Votes cast, for or against, and the respective percentages on each resolution are announced via SGXNet on the same day of the general meeting.

## **Provision 11.3 – Attendance at General Meetings**

The Chairman of the Board and the Board Committees and CEO as well as the external auditors will be present and on hand to address all issues raised at the AGM, including any Shareholders' queries about the conduct of the audit and in the preparation and content of the auditors' report. All Directors have attended the 2021 AGM. Whilst the AGM of the Company is a principal forum for dialogue and interaction with all Shareholders, the Company, will continue to rely on the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 for the upcoming AGM given the current Covid-19 pandemic situation. The Company would also consider other forums such as virtual analyst briefings as and when applicable.

## **Provision 11.5 – Minutes of General Meetings**

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meetings, and responses from the Board and Management. These minutes will be made available to the Shareholders and the public by way of announcement via SGXNet and the Company's corporate website within one (1) month from the general meetings. The Company will also upload the minutes to the Company's website as soon as practicable after the conclusion of the forthcoming AGM.

## **Provision 11.6 – Dividend Policy**

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

- (a) the level of the Company's cash and retained earnings;
- (b) actual and projected financial performance;
- (c) projected levels of capital expenditure and expansion plans;

# REPORT OF CORPORATE GOVERNANCE

- (d) working capital requirements and general financing conditions; and
- (e) restrictions on payment of dividends imposed on the Company by the relevant financing arrangements (if any).

The Board had not declared or recommended dividend payment for FY2021 as the Company wishes to conserve and deploy cash for future growth and expansion needs. The Company recognises creation of long term stakeholders' value and having considered the stabilisation of the Company's business in the recent years, the Company would conserve cash to fund prospective investments, with an outlook of being able to recommend for dividend payment in future.

## **ENGAGEMENT WITH SHAREHOLDERS**

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

### **Provision 12.1 – Communication with Shareholders**

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

The Company does not currently have an investor relations policy and considers advice from its corporate lawyers and professionals on the appropriate disclosure requirements before the announcement of each material information. The Company will consider the appointment of a professional investor relations officer to manage this function, should the need arise.

### **Provisions 12.2 and 12.3 – Dialogues with Shareholders**

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

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

# REPORT OF **CORPORATE GOVERNANCE**

## **(E) MANAGING STAKEHOLDERS RELATIONSHIPS**

### **ENGAGEMENT WITH STAKEHOLDERS**

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

#### **Provisions 13.1, 13.2 and 13.3 – Managing Stakeholders relationships**

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability. The Company engages with key stakeholders such as patients, suppliers, employees, investors, as well as government and regulators, to align the Company's sustainable approach with their expectations. The Company formulates policies and activities to better understand the material topics that will affect them. Further information on how the Company identifies and engages the stakeholders and approach to material topics will be detailed in the sustainability report 2021 which will be published by 31 May 2022.

### **APPOINTMENT OF AUDITORS**

#### **(Rule 712 and Rule 715 of the Catalist Rules)**

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

### **DEALINGS IN SECURITIES**

#### **(Rule 1204(19) of the Catalist Rules)**

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

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

### **Interested Person Transactions ("IPTs")**

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

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

The Company does not have general mandate for IPTs and there were no IPTs with value more than S\$100,000 transacted during FY2021.

# REPORT OF CORPORATE GOVERNANCE

## Non-Sponsor Fees

There was no non-sponsor fee paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2021.

## Material Contracts and Loans

Material Contracts and Loans pursuant to Rule 1204(8) of the Catalyst Rules, save for the leases entered into with Alkas Realty Pte. Ltd. ("**Alkas**") on 30 November 2017 and 3 December 2018, as announced by the Company on the respective dates. Save as disclosed herein, the Company confirmed that there were no other material contracts and loans of the Company and its subsidiaries involving the interests of CEO, any Director or controlling shareholder of the Company, either still subsisting at the end of FY2021 or if not then subsisting, which were entered into since the end of the previous financial year.

The tenure of the abovementioned leases with Alkas that are still subsisting in FY2021 are as follows:

- Master Lease Agreement signed on 30 November 2017 in relation to the lease of the Company's corporate office located at #10-09 and #10-09A at 6 Shenton Way, OUE Downtown 2, Singapore 068809 ("**OUE Downtown 2**") (for a period of thirty-six (36) months commenced on 1 August 2017 and expiring on 31 July 2020). Alkas had subsequently sold OUE Downtown 2 to DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**") ("**DBS Trustee**"), which the sale was completed on 1 November 2018. In connection thereto, Alkas had entered into a Deed of Assignment with DBS Trustee on 1 November 2018 ("**Deed**") to assign all its rights, benefits and covenants under the Master Lease Agreement to DBS Trustee. Dr Stephen Riady remains as a controlling unitholder of OUE C-REIT before and after the execution of the Deed and therefore, has an interest in the Deed.
- Further to the above Deed, a Letter of Offer was accepted on 30 July 2020 to renew the lease agreement between the Company and DBS Trustee in respect of OUE Downtown 2 for a period of three (3) years from 1 August 2020 to 31 July 2023 ("**Term**") and the Term comprised a rebate on the rent and service charge payable for OUE Downtown 2 for one (1) month between 1 July 2023 to 31 July 2023. The Company had released the relevant announcement to the SGX-ST via SGXNet on 30 July 2020.
- Letters of Offer accepted on 3 December 2018 for leasing of premises located at #02-15 of 6A Shenton Way, Downtown Gallery, Singapore 068815 (for a period of five (5) years commenced on 4 May 2019 and expiring on 3 May 2024); and #03-11/12/13 of 6A Shenton Way, Downtown Gallery, Singapore 068815 (for a period of five (5) years commenced on 4 May 2019 and expiring on 3 May 2024).

# REPORT OF CORPORATE GOVERNANCE

## Use of Proceeds

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

On 21 April 2017, the Company raised S\$59.8 million (after deducting estimated expenses of S\$0.2 million) from the issuance of T2 CN B (“**T2 CN B Net Proceeds**”). On 29 December 2017, the Company announced certain reallocation of the T2 CN B Net Proceeds and subsequent thereto, the Company had regrouped the initial intended of proceeds (“**Regrouping**”) and reallocate the balance unutilised proceeds (“**Further Re-Allocation**”). On 2 July 2019, the Company has extended the intended use of proceeds to include the acquisition of other business supplementary or complementary to the existing business of the Group (“**Change in Use**”). As at the date of this annual report, the T2 CN B Net Proceeds have been utilised as follows:

Intended Purposes after Regrouping and Change in Use	Amount allocated after Regrouping and Further Re-Allocation (S\$ million)	Amount Utilised as at 31 March 2022 (S\$ million)	Amount Unutilised as at 31 March 2022 (S\$ million)
Working Capital	39.80	35.86 <sup>(1)</sup>	3.94
Acquisition and investment in GP and Specialist clinics and any other business supplementary or complementary to the existing business of the Group	20.00	9.43	10.57
<b>Total</b>	<b>59.80</b>	<b>45.29</b>	<b>14.51</b>

<sup>(1)</sup> Mainly for the repayment of loans, payment of salaries, payments to suppliers and renovation costs.

The utilisation was in accordance with the intended purposes stated following the Change in Use as stated in the Company’s announcement which was released via SGX-ST on 2 July 2019.

## SUSTAINABILITY REPORTING

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

As this is the fifth year of our sustainability reporting, we continue to report on the activities, data and information, where applicable as with our inaugural SR. The financial year of reporting for the fifth year SR falls within the financial year ended 31 December 2021 and would include data and information from 1 January 2021 to 31 December 2021. We continue to increase our efforts to improve on our report to supplement financial information giving the requisite of “descriptive and quantitative information on how business is conducted” and how environmental, social and governance factors (“**ESG**”) are managed for sustainability into the future, in compliance with the Catalist Rules and Sustainability Reporting Guide. We aim to consistently enhance our approach in the communication and management of ESG factors arising from our business operations and build on the sustainability efforts integrated into our operations. Further information on our overall sustainability performance, including how we engage our stakeholders and approach to material topics will be detailed in our SR 2021, which will be released and be available at the Company’s website and on the SGXNet by 31 May 2022.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Rules of Catalist**”), the information relating to Mr Sin Boon Ann and Mr Abram Melkyzedeck Suhardiman as set out in Appendix 7F of the Rules of Catalist is set out below:

<b>DIRECTORS SEEKING RE-ELECTION</b>	<b>MR SIN BOON ANN</b>	<b>MR ABRAM MELKYZEDECK SUHARDIMAN</b>
Date of Appointment	26 April 2019	26 April 2019
Date of last re-appointment	6 July 2020	6 July 2020
Age	64	33
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Sin Boon Ann as the Independent Chairman be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Sin’s qualifications, expertise, past experiences and overall contribution as a Director and Independent Chairman of the Company.	The re-election of Mr Abram Melkyzedeck Suhardiman as the Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Suhardiman’s qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	No	Yes. Mr Suhardiman continues to be the Deputy Chief Executive Officer of the Company and its subsidiaries.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Chairman, Chairman of the Remuneration Committee and member of the Audit and Risk Committee and the Nominating Committee	Executive Director and Deputy Chief Executive Officer
Professional qualifications	Bachelor of Arts, National University of Singapore  Bachelor of Laws (Honours), National University of Singapore  Master of Laws, University of London  Admitted to the Singapore Bar	Bachelor of Science in Business Administration, University of Southern California, Los Angeles, United States of America  Masters in Finance, Hult International Business School, San Francisco, United States of America

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>DIRECTORS SEEKING RE-ELECTION</b>	<b>MR SIN BOON ANN</b>	<b>MR ABRAM MELKYZEDECK SUHARDIMAN</b>
Working experience and occupation(s) during the past 10 years	<p>March 2018 to Present Consultant, Drew &amp; Napier LLC</p> <p>2001 to March 2018 Director, Drew &amp; Napier LLC</p>	<p>2020 to Present Deputy Chief Executive Officer of the Company</p> <p>2019 to Present Executive Director of the Company</p> <p>2017 to 2020 Chief Operating Officer of the Company</p> <p>2015-2017 Vice President, Business Development &amp; Investor Relations, Nuvest Capital</p> <p>2013 to 2015 Analyst, The Abraaj Group</p> <p>2012 to 2013 Business Development Manager, PT Artha Cipta Langgeng</p>
Shareholding interest in the listed issuer and its subsidiaries	No	<p>Yes</p> <p>Mr Suhardiman holds a total of 68,918,900 ordinary shares in the share capital of the Company.</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR SIN BOON ANN	MR ABRAM MELKYZEDECK SUHARDIMAN
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes  Mr Sin is the Executive Chairman and shareholder of Esseplora Pte. Ltd. (" <b>Esseplora</b> "). Powerful Arch Limited (" <b>PAL</b> "), an investment company and a wholly owned subsidiary of Lippo China Resources Limited (" <b>LCR</b> "), which in turn is a substantial shareholder of the Company and listed on the Stock Exchange of Hong Kong Limited, invested in Esseplora in August 2019. Esseplora is a tech-enabled food and travel company in Singapore. PAL is a passive investor in Esseplora and is not involved in the day to day operations of Esseplora. As at the date of this report, PAL does not have a majority stake in Esseplora and is not represented on the board of directors of Esseplora. The above relationship between Mr Sin and LCR is not expected to affect Mr Sin's independence as the Independent Chairman of the Company.	Yes  Son-in-law of Dr Stephen Riady, the Non-Independent Non-Executive Director of the Company
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments <sup>1</sup> Including Directorships		
Past (for the last 5 years)	<u>Principal Commitments including Directorships</u>  1. DrewCorp Services Pte Ltd 2. Drew & Napier LLC 3. Datapulse Technology Limited 4. SE Hub Ltd. 5. AT-Sunrise GlobalChef Academy Pte. Ltd.	<u>Principal Commitments including Directorships</u>  Nuvest Real Return Fund

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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR SIN BOON ANN	MR ABRAM MELKYZEDECK SUHARDIMAN
Present	<p><u>Directorships</u></p> <ol style="list-style-type: none"> <li>1. AT-Sunrise (Holdings) Pte. Ltd.</li> <li>2. Sarine Technologies Ltd.</li> <li>3. The Trendlines Group Ltd.</li> <li>4. Balkan Holdings Pte. Ltd.</li> <li>5. The Farrer Park Company Pte. Ltd.</li> <li>6. W Capital Markets Pte. Ltd.</li> <li>7. TIH Limited</li> <li>8. Esseplere Pte. Ltd.</li> <li>9. HRnetGroup Limited</li> <li>10. Singapore Centre for Social Enterprise Ltd. (raiSE)</li> <li>11. Rex International Holding Limited</li> <li>12. OUE Limited</li> <li>13. Tampines Central Community Foundation Limited</li> <li>14. CSE Global Limited</li> </ol> <p><u>Principal Commitments</u></p> <p>Drew &amp; Napier LLC</p>	<p><u>Directorships</u></p> <ol style="list-style-type: none"> <li>1. City Ocean Group Limited</li> <li>2. TIH Limited</li> <li>3. MoolahGo Pte. Ltd.</li> <li>4. The Clinic @ One George Street Pte. Ltd.</li> <li>5. The Clinic @ Campus Pte. Ltd.</li> <li>6. The Clinic @ Fusionopolis Pte. Ltd.</li> <li>7. The Clinic @ Aperia Pte. Ltd.</li> <li>8. The Clinic @ CapitaGreen Pte. Ltd.</li> <li>9. The Clinic @ Business City Pte. Ltd.</li> <li>10. The Clinic @ Tai Seng Pte. Ltd.</li> <li>11. The Clinic @ Marina One Pte. Ltd.</li> <li>12. The Clinic @ HF Pte. Ltd.</li> <li>13. EBH Capital Pte. Ltd.</li> <li>14. Straits Podiatry Pte. Ltd. <i>(Effective from 2 March 2022)</i></li> </ol>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>DIRECTORS SEEKING RE-ELECTION</b>	<b>MR SIN BOON ANN</b>	<b>MR ABRAM MELKYZEDECK SUHARDIMAN</b>
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR SIN BOON ANN	MR ABRAM MELKYZEDECK SUHARDIMAN
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of the followings in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTORS SEEKING RE-ELECTION	MR SIN BOON ANN	MR ABRAM MELKYZEDECK SUHARDIMAN
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	<p>Yes</p> <p>Mr Sin Boon Ann has been the Independent Chairman of Healthway Medical Corporation (the “<b>Company</b>”) since 26 April 2019.</p> <p>The Company had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in the Company’s annual report for the financial year ended 31 December 2019 (“<b>AR 2019</b>”) pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced on the SGXNet on 22 June 2020.</p>	<p>Yes</p> <p>Mr Abram Melkyzedeck Suhardiman has been an Executive Director of Healthway Medical Corporation (the “<b>Company</b>”) since 26 April 2019.</p> <p>The Company had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in the Company’s annual report for the financial year ended 31 December 2019 (“<b>AR 2019</b>”) pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced on the SGXNet on 22 June 2020.</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>DIRECTORS SEEKING RE-ELECTION</b>	<b>MR SIN BOON ANN</b>	<b>MR ABRAM MELKYZEDECK SUHARDIMAN</b>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If YES, please provide details of prior experience	N.A.	N.A.
If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Healthway Medical Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the balance sheet of the Company for the financial year ended 31 December 2021.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Sin Boon Ann  
Dr Stephen Riady  
Anand Kumar  
Abram Melkyzedeck Suhardiman  
Chen Yeow Sin  
Aliza Knox

## Arrangements to enable directors to acquire shares and debentures

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

# DIRECTORS' STATEMENT

## Directors' interests in shares or debentures

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

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<b>Healthway Medical Corporation Limited</b>				
<b>Ordinary shares</b>				
Dr Stephen Riady <sup>(1)</sup>	–	–	1,848,641,265	1,848,641,265
Abram Melkyzedeck Suhardiman <sup>(2)</sup>	42,179,700	68,918,900	–	–

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

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

The directors' interests in the ordinary shares of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

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

## Options and performance shares

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

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

### *Performance Share Plan*

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

## DIRECTORS' STATEMENT

### Options and performance shares (Continued)

#### Performance Share Plan (Continued)

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

#### Performance shares granted/vested

<b>Date of grant of performance shares</b>	<b>Performance shares outstanding at 1 January 2021</b>	<b>Vested</b>	<b>Performance shares outstanding at 31 December 2021</b>
27/03/2020	16,229,900	(8,114,900)	<b>8,115,000</b>

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

#### Options granted/exercised

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

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

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

### Audit and Risk Committee ("ARC")

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

Chen Yeow Sin (Chairman)  
Sin Boon Ann  
Aliza Knox

All members of the ARC are independent directors.

The ARC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967 (the "Act").

# DIRECTORS' STATEMENT

## **Audit and Risk Committee ("ARC") (Continued)**

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

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

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

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

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

## **Independent Auditor**

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

On behalf of the board of directors:

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Chen Yeow Sin  
Director

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Anand Kumar  
Director

Singapore  
31 March 2022

# INDEPENDENT AUDITOR'S REPORT

To the members of Healthway Medical Corporation Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Healthway Medical Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for opinion

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

### Key audit matters

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

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

# INDEPENDENT AUDITOR'S REPORT

To the members of Healthway Medical Corporation Limited

## Key audit matters (Continued)

### Purchase price allocation for the acquisition of subsidiaries

During the financial year ended 31 December 2021, a subsidiary of the Company, Healthway Medical Group Pte Ltd, entered into a Sale and Purchase Agreement (“**SPA**”) with an external party to acquire the following subsidiaries for a total cash consideration of \$3.7 million:

- 51% equity interest in EBH Capital Pte. Ltd. (“**EBH**”)
- 20.8% equity interest in The Clinic @ Tai Seng Pte. Ltd.
- 20.8% equity interest in The Clinic @ Campus Pte. Ltd.

As part of the acquisition, the Group was granted a call option to purchase all of the remaining shares of EBH owned by the non-controlling shareholder (“**NCI**”) and granted a put option to the NCI to require the Group to purchase all of the remaining shares. The accounting treatment of the call and put options is disclosed in Notes 16 and 22 to the financial statements respectively.

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

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

The acquisition of the subsidiaries resulted in the recognition of goodwill amounting to \$2.9 million.

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the members of Healthway Medical Corporation Limited

## Key audit matters (Continued)

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

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

We considered the audit of management's impairment assessment of goodwill, brand names with indefinite useful lives and investment in subsidiaries to be a key audit matter due to the magnitude of the carrying amounts of goodwill, brand names with indefinite useful lives and investment in subsidiaries in the financial statements as at 31 December 2021. In addition, these areas were significant to our audit because the impairment assessment process involves significant management judgement coupled with the heightened level of estimation uncertainty associated with the current market and economic condition, which requires the management to make various assumptions in the underlying cash flow forecasts.

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the members of Healthway Medical Corporation Limited

## Other information

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

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

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

## Responsibilities of management and directors for the financial statements

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITOR'S REPORT

To the members of Healthway Medical Corporation Limited

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

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

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

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

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

# INDEPENDENT AUDITOR'S **REPORT**

To the members of Healthway Medical Corporation Limited

## **Report on other legal and regulatory requirements**

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

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

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore  
31 March 2022

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Revenue	4	139,922	97,433
Other income	5	3,378	4,669
Other losses		-	*
Expenses by nature			
– Medical supplies, consumables and laboratory expenses		(27,296)	(19,035)
– Staff costs	6	(83,306)	(59,877)
– Depreciation of property, plant and equipment	14	(10,755)	(10,757)
– Amortisation of intangible assets	15(b)	(135)	(26)
– Rental expenses		(196)	(237)
– Impairment loss on trade and other receivables – net	11	(78)	(973)
– Finance expenses	7	(839)	(965)
– Other expenses		(10,169)	(7,473)
Total expenses		(132,774)	(99,343)
Share of loss of an associate	13(b)	(300)	(239)
<b>Profit before income tax</b>		<b>10,226</b>	2,520
Income tax credit	8(a)	469	714
Total profit for the year		<b>10,695</b>	3,234
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
– Currency translation gains arising from consolidation – net		-	2
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	2
<b>Total comprehensive income for the year</b>		<b>10,695</b>	3,236
<b>Total profit for the year attributable to:</b>			
Equity holders of the Company		10,769	3,234
Non-controlling interests		(74)	-
		<b>10,695</b>	3,234
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Company		10,769	3,236
Non-controlling interests		(74)	-
		<b>10,695</b>	3,236
<b>Profit per share attributable to owners of the Company (cents per share)</b>			
Basic and diluted profit per share	9	<b>0.24</b>	0.07

\* less than \$1,000

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

**BALANCE SHEETS – GROUP AND COMPANY**

As at 31 December 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	10	33,552	27,411	28,961	22,691
Trade and other receivables	11	23,382	15,571	338	642
Inventories	12	3,536	3,322	–	–
		<b>60,470</b>	46,304	<b>29,299</b>	23,333
<b>Non-current assets</b>					
Trade and other receivables	11	1,520	1,500	300	545
Investments in subsidiaries	13(a)	–	–	207,397	212,154
Investment in an associate	13(b)	1,430	1,730	2,108	1,730
Property, plant and equipment	14	21,724	22,635	983	1,663
Intangible assets	15	149,496	146,587	593	604
Derivative asset	16	605	–	–	–
Deferred income tax assets	21	1,484	714	–	–
		<b>176,259</b>	173,166	<b>211,381</b>	216,696
<b>Total assets</b>		<b>236,729</b>	219,470	<b>240,680</b>	240,029
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	17	24,906	17,777	1,414	1,610
Current income tax liabilities	8(c)	613	29	141	–
Borrowings	18	910	872	–	–
Lease liabilities	19	7,220	7,624	764	730
		<b>33,649</b>	26,302	<b>2,319</b>	2,340
<b>Non-current liabilities</b>					
Trade and other payables	17	3,491	431	–	–
Borrowings	18	508	1,507	–	–
Lease liabilities	19	7,888	7,803	395	1,160
Provisions	20	1,645	1,707	105	105
Deferred income tax liabilities	21	901	1,178	–	–
		<b>14,433</b>	12,626	<b>500</b>	1,265
<b>Total liabilities</b>		<b>48,082</b>	38,928	<b>2,819</b>	3,605
<b>NET ASSETS</b>		<b>188,647</b>	180,542	<b>237,861</b>	236,424
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	22	277,433	277,433	277,433	277,433
Treasury shares	22	(33)	(236)	(33)	(236)
Other reserves	22	(2,918)	1,065	297	266
Accumulated losses		(86,152)	(97,720)	(39,836)	(41,039)
		<b>188,330</b>	180,542	<b>237,861</b>	236,424
Non-controlling interests		317	–	–	–
<b>Total equity</b>		<b>188,647</b>	180,542	<b>237,861</b>	236,424

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital (Note 22) \$'000	Treasury shares (Note 22) \$'000	Share-based compensation reserve (Note 22) \$'000	Currency translation reserve (Note 22) \$'000	Capital reserve (Note 22) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2021</b>									
Balance at 1 January 2021	277,433	(236)	235	799	31	(97,720)	180,542	-	180,542
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	10,769	10,769	(74)	10,695
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Treasury shares reissued pursuant to share-based compensation plans	-	203	(235)	-	32	-	-	-	-
Value of employee services	-	-	235	-	-	-	235	-	235
Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary	-	-	-	(799)	-	799	-	-	-
Acquisition of subsidiaries	-	-	-	-	(3,215)	-	(3,215)	391	(2,824)
Share reissuance expenses	-	-	-	-	(1)	-	(1)	-	(1)
Total contributions by and distributions to owners	-	203	-	(799)	(3,184)	799	(2,981)	391	(2,590)
<b>Balance at 31 December 2021</b>	<b>277,433</b>	<b>(33)</b>	<b>235</b>	<b>-</b>	<b>(3,153)</b>	<b>(86,152)</b>	<b>188,330</b>	<b>317</b>	<b>188,647</b>
<b>2020</b>									
Balance at 1 January 2020	277,433	(438)	235	797	-	(100,954)	177,073	-	177,073
Profit for the year	-	-	-	-	-	3,234	3,234	-	3,234
Other comprehensive income	-	-	-	2	-	-	2	-	2
Foreign currency translation differences	-	-	-	2	-	-	2	-	2
Total comprehensive income for the year	-	-	-	2	-	3,234	3,236	-	3,236
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Treasury shares reissued pursuant to share-based compensation plans	-	202	(235)	-	33	-	-	-	-
Value of employee services	-	-	235	-	-	-	235	-	235
Share reissuance expenses	-	-	-	-	(2)	-	(2)	-	(2)
Total contributions by and distributions to owners	-	202	-	-	31	-	233	-	233
<b>Balance at 31 December 2020</b>	<b>277,433</b>	<b>(236)</b>	<b>235</b>	<b>799</b>	<b>31</b>	<b>(97,720)</b>	<b>180,542</b>	<b>-</b>	<b>180,542</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group	
		2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		10,226	2,520
Adjustments for:			
– Depreciation of property, plant and equipment	14	10,755	10,757
– Amortisation of intangible assets	15(b)	135	26
– Loss on disposal of property, plant and equipment		17	228
– Property, plant and equipment written off		121	32
– Intangible assets written off		14	–
– Fair value gain on derivative asset	16	(224)	–
– Impairment loss on trade and other receivables – net	11	78	973
– Gain on disposal of clinic		(125)	–
– Write back of provision for impairment of right-of-use assets		–	(20)
– Finance expenses	7	839	965
– Interest income		(54)	(140)
– Share-based compensation expense	22	235	235
– Share of loss of an associate	13(b)	300	239
– Unrealised currency translation loss – net		–	2
Operating cash inflows before changes in working capital		22,317	15,817
Changes in working capital:			
– Inventories		(23)	(85)
– Trade and other receivables		(7,163)	1,222
– Trade and other payables		6,725	(2,080)
– Provisions		(101)	(134)
Cash flows generated from operations		21,755	14,740
Income tax paid	8(c)	(5)	(8)
<b>Net cash flows generated from operating activities</b>		<b>21,750</b>	<b>14,732</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,418)	(347)
Purchase of intangible assets		(149)	(162)
Acquisition of clinics		(336)	(1,080)
Acquisition of subsidiaries, net of cash acquired	25	(3,361)	–
Proceeds on disposal of clinic		125	–
Interest received		54	140
<b>Net cash flows used in investing activities</b>		<b>(5,085)</b>	<b>(1,449)</b>
<b>Cash flows from financing activities</b>			
Bank deposits pledged		–	(17)
Repayment of other secured borrowings		(961)	(997)
Principal payment of lease liabilities		(8,780)	(8,422)
Interest paid		(783)	(965)
<b>Net cash flows used in financing activities</b>		<b>(10,524)</b>	<b>(10,401)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,141</b>	<b>2,882</b>
<b>Cash and cash equivalents at the beginning of financial year</b>		<b>26,736</b>	<b>23,852</b>
Effects of currency translation on cash and cash equivalents		–	2
<b>Cash and cash equivalents at the end of financial year</b>	10	<b>32,877</b>	<b>26,736</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

## Reconciliation of liabilities arising from financing activities

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

	1 January 2020 \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2020 \$'000
			Addition \$'000	Interest expenses \$'000	Disposal \$'000	
Other secured borrowings	3,376	(1,134)	-	137	-	2,379
Lease liabilities	17,956	(9,246)	6,281	824	(388)	15,427

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

## 1. GENERAL INFORMATION

Healthway Medical Corporation Limited (the “**Company**”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 6 Shenton Way, #10-09, OUE Downtown 2, Singapore 068809.

The principal activities of the Company are those of an investment holding company and to carry on the business of healthcare management. The principal activities of its subsidiaries and associate are set out in Note 13.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

### 2.3 Standards issued but not yet effective

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 16 Leases: <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Revenue

(a) *Provision of medical services*

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

(b) *Rental income*

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

(c) *Interest income*

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

### 2.5 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Group accounting (Continued)

#### (a) *Subsidiaries* (Continued)

##### (ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

##### (iii) *Disposals*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Group accounting (Continued)

#### (b) *Associates*

Associates are entities over which the Group has significant influence, but not control.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

#### (i) *Acquisition*

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

#### (ii) *Equity method of accounting*

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

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

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

#### (iii) *Disposals*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Group accounting (Continued)

#### (c) *Non-controlling interests*

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

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

### 2.6 Property, plant and equipment

#### (a) *Measurement*

##### (i) *Property, plant and equipment*

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

##### (ii) *Components of costs*

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

#### (b) *Depreciation*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Property, plant and equipment (Continued)

#### (b) Depreciation (Continued)

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

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

#### (c) Subsequent expenditure

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

#### (d) Disposal

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

### 2.7 Intangible assets

#### (a) Goodwill

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

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

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

#### (b) Acquired brand names

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Intangible assets (Continued)

#### (c) *Computer software, including licences*

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

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

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

#### (d) *Computer software in progress*

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

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

### 2.8 Borrowing costs

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

### 2.9 Investments in subsidiaries and an associate

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of non-financial asset

(a) *Goodwill and acquired brand names*

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of non-financial asset (Continued)

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

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

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

### 2.11 Financial instruments

- (a) *Financial assets*

#### *Initial recognition and measurement*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Subsequent measurement*

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

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

##### Impairment

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

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

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

##### *Derecognition*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Financial instruments (Continued)

#### (b) *Financial liabilities*

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

##### *Derecognition*

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

### 2.12 Financial guarantees

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Borrowings

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

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

### 2.14 Leases

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

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

(i) *Right-of-use assets*

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

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

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

(ii) *Lease liabilities*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases (Continued)

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

(ii) *Lease liabilities (Continued)*

Lease payments include the following:

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases (Continued)

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

(iv) *Variable lease payments*

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

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

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

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

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

### 2.15 Inventories

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

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

### 2.16 Taxes

(a) *Current income tax*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Taxes (Continued)

#### (b) *Deferred income tax*

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

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

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

Deferred income tax is measured:

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Provisions

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

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

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

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

### 2.18 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Short-term employee benefits*

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

(c) *Employee leave entitlement*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Employee compensation (Continued)

#### (d) *Share-based compensation*

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

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

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

### 2.19 Currency translation

#### (a) *Functional and presentation currency*

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

#### (b) *Transactions and balances*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Currency translation (Continued)

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

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

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

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

### 2.20 Segment reporting

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

### 2.21 Cash and cash equivalents

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

### 2.22 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("**treasury shares**"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Share capital and treasury shares (Continued)

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

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

### 2.23 Dividends to Company's shareholders

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

### 2.24 Government grants

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

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

### 2.25 Contingencies

A contingent liability is:

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

### 3.1 Judgements made in applying accounting policies

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

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

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

Based on the above mentioned factors, Management has applied its judgement in concluding that there is no foreseeable limit to the period over which the brand names are expected to generate net cash inflows for the Group and hence, brand names are not amortised. These calculations require the use of estimates (Note 15).

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

(b) *Determination of purchase price allocation*

During the financial year, the Group acquired subsidiaries for a total cash consideration of \$3,698,000.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

### 3.2 Key sources of estimation uncertainty

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

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

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

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

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

A reasonable possible change to any of the individual key assumptions as compared to management’s estimates as listed above would not have resulted in an impairment charge being required for the current financial year.

The carrying amount of goodwill and brand names with indefinite useful lives as at 31 December 2021 is \$148,878,000 (2020: \$145,969,000).

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

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

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

The carrying amount of the Company’s investments in subsidiaries as at 31 December 2021 is \$207,397,000 (2020: \$212,154,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

### 3.2 Key sources of estimation uncertainty (Continued)

(c) *Fair value of derivatives*

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

## 4. REVENUE

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

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Medical services	<b>139,922</b>	97,433
<i>Contract balances</i>		

	<b>Group</b>	
	<b>31 December</b>	1 January
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Trade receivables (Note 11)	<b>20,680</b>	12,659
Deferred income (Note 17)	<b>345</b>	485
	<b>15,143</b>	15,143
	<b>460</b>	460

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

Revenue recognised in relation to deferred income:

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Revenue recognised in current period that was included in deferred income at the beginning of the period		
– Medical services	<b>433</b>	349

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 5. OTHER INCOME

	Group	
	2021 \$'000	2020 \$'000
Interest income	29	120
Government grant income	2,057	2,986
Finance income on net investment in the sublease (Note 11)	25	20
Rental income	222	251
Fair value gain on derivative asset (Note 16)	224	–
Others	821	1,292
	<b>3,378</b>	<b>4,669</b>

## 6. STAFF COSTS

	Group	
	2021 \$'000	2020 \$'000
Wages and salaries	78,845	56,047
Employer's contribution to defined contribution plans including Central Provident Fund	4,226	3,595
Share-based compensation expenses	235	235
	<b>83,306</b>	<b>59,877</b>

### *Share-based compensation*

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

The expense recognised in profit or loss for the Performance Share Plan during the year is \$235,000 (2020: \$235,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 7. FINANCE EXPENSES

	Group	
	2021 \$'000	2020 \$'000
Interest expenses:		
– Other secured borrowings	95	137
– Lease liabilities	685	824
– Other payables to non-controlling interest	41	–
– Discounting of non-current deposits	15	–
– Others	3	4
	<b>839</b>	<b>965</b>

## 8. INCOME TAXES

### (a) Income tax credit

	Group	
	2021 \$'000	2020 \$'000
<i>Current income tax</i>		
– Current income tax charge	578	–
<i>Deferred income tax</i>		
– Origination and reversal of temporary differences (Note 21)	(1,047)	(714)
	<b>(469)</b>	<b>(714)</b>

### (b) Relationship between tax credit and accounting profit

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

	Group	
	2021 \$'000	2020 \$'000
Profit before income tax	10,226	2,520
Tax calculated at tax rate of 17% (2020: 17%)	1,738	428
Effects of:		
– expenses not deductible for tax purposes	232	63
– income not subject to tax	(341)	(1,271)
– tax losses not recognised	–	511
– utilisation of tax losses and temporary differences previously not recognised	(446)	(149)
– income tax relief	(87)	–
– recognition of tax losses and temporary differences previously not recognised	(1,683)	(714)
– temporary differences not recognised	118	418
Income tax credit	<b>(469)</b>	<b>(714)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 8. INCOME TAXES (CONTINUED)

(c) Movement in current income tax liabilities

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Beginning of financial year	29	37	-	-
Acquisition of subsidiaries (Note 25)	11	-	-	-
Income tax paid	(5)	(8)	-	-
Current income tax charge	578	-	141	-
End of financial year	613	29	141	-

## 9. PROFIT PER SHARE

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

	Group	
	2021	2020
Net profit attributable to equity holders of the Company (\$'000)	10,769	3,234
Weighted average number of ordinary shares outstanding for basic profit per share ('000)	4,525,522	4,517,434
Weighted average number of ordinary shares outstanding for diluted profit per share ('000)	4,533,637	4,533,664
Basic and diluted profit per share (cents per share)	0.24	0.07

## 10. CASH AND BANK BALANCES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	15,747	9,633	11,780	5,537
Short-term bank deposits	17,805	17,778	17,181	17,154
	33,552	27,411	28,961	22,691

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 10. CASH AND BANK BALANCES (CONTINUED)

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

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Cash and bank balances (as above)	<b>33,552</b>	27,411
Less: Bank deposits pledged as security	<b>(675)</b>	(675)
Cash and cash equivalents per consolidated statement of cash flows	<b>32,877</b>	26,736

## 11. TRADE AND OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Current</b>				
Trade receivables	<b>24,166</b>	17,141	-	-
Less: Allowance for impairment loss	<b>(3,486)</b>	(4,482)	-	-
Net trade receivables	<b>20,680</b>	12,659	-	-
Other receivables from:				
– related parties	<b>318</b>	148	<b>3</b>	28
– non-related parties	<b>82</b>	4,919	<b>4</b>	4,767
	<b>400</b>	5,067	<b>7</b>	4,795
Less: Allowance for impairment loss	-	(4,527)	-	(4,527)
	<b>400</b>	540	<b>7</b>	268
Finance lease receivables	<b>269</b>	289	<b>254</b>	243
Deposits	<b>1,394</b>	1,632	<b>8</b>	72
Prepayments	<b>639</b>	451	<b>69</b>	59
	<b>23,382</b>	15,571	<b>338</b>	642
<b>Non-current</b>				
Finance lease receivables	<b>132</b>	400	<b>132</b>	386
Deposits	<b>1,388</b>	1,100	<b>168</b>	159
	<b>1,520</b>	1,500	<b>300</b>	545

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Beginning of financial year	9,009	12,103	4,527	4,527
Acquisition of subsidiaries (Note 25)	22	-	-	-
Provision for impairment loss	78	973	-	-
Utilised	(5,623)	(4,067)	(4,527)	-
End of financial year	3,486	9,009	-	4,527

### (a) Finance lease receivables

Finance lease receivables relate to subleases which were classified as finance lease, as disclosed in Note 14(a). Finance income on the net investment in sublease during the financial year is \$25,000 (2020: \$20,000).

The fair values of non-current finance lease receivables approximate their carrying amounts and are computed based on cash flows discounted at market borrowing rates of 4.5% (2020: 4.5%). The fair values are within level 2 of the fair value hierarchy.

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Less than one year	282	314	267	267
Between one to two years	133	281	133	267
Between two to three years	-	133	-	133
	415	728	400	667
Less: Unearned finance income	(14)	(39)	(14)	(38)
Net investment in finance leases	401	689	386	629
Current	269	289	254	243
Non-current	132	400	132	386
	401	689	386	629

## 12. INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
At cost		
Pharmacy, medical and surgical supplies	3,536	3,322

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

### (a) Investment in subsidiaries

	Company	
	2021	2020
	\$'000	\$'000
Equity investments at cost	37,343	37,343
Amounts due from subsidiaries (non-trade)	217,814	222,702
Less: Allowance for impairment loss	(47,760)	(47,891)
	<b>207,397</b>	<b>212,154</b>

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

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

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2021	2020
			%	%
<b>Held by the Company</b>				
Healthway Medical Group Pte Ltd <sup>(1)</sup>	Practice of general medical practitioners	Singapore	100	100
Unimed Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
China Healthway Pte. Ltd. <sup>(2)(7)</sup>	Investment holding	Singapore	-	100
Vista Medicare Pte. Ltd. <sup>(3)</sup>	Provision of managed healthcare	Singapore	100	100
<b>Held by Healthway Medical Group Pte Ltd</b>				
Healthway Medical Enterprises Pte Ltd <sup>(1)</sup>	Provision of medical services and sale of drugs and medical supplies	Singapore	100	100
EBH Capital Pte. Ltd. <sup>(3)(5)</sup>	Investment holding	Singapore	51	-
The Clinic @ Tai Seng Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	20.8	-
The Clinic @ Campus Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	20.8	-

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2021 %	2020 %
<b>Held by Unimed Pte. Ltd.</b>				
Island Orthopaedic Consultants Pte Ltd <sup>(1)</sup>	Provision of orthopaedic services and operation of medical clinics	Singapore	100	100
SBCC Clinic Pte Ltd <sup>(1)</sup>	Provision of paediatric services and operation of medical clinics	Singapore	100	100
Silver Cross Healthcare Pte Ltd <sup>(1)</sup>	Practice of general medical practitioners	Singapore	100	100
Healthway Dental Pte. Ltd. <sup>(3)</sup>	Practice of dental surgery and operation of dental clinics	Singapore	100	100
<b>Held by China Healthway Pte. Ltd.</b>				
Crane Medical Pte. Ltd. <sup>(1)(7)</sup>	Investment holding	Singapore	–	100
China Unimed Pte. Ltd. <sup>(2)(7)</sup>	Investment holding	Singapore	–	100
<b>Held by EBH Capital Pte. Ltd.</b>				
The Clinic @ Tai Seng Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	59.2	–
The Clinic @ Campus Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	59.2	–
The Clinic @ Aperia Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–
The Clinic @ Business City Pte. Ltd. <sup>(3) (5)</sup>	Practice of general medical practitioners	Singapore	100	–
The Clinic @ Capitagreen Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–
The Clinic @ Fusionopolis Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)

(a) *Investment in subsidiaries* (Continued)

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2021 %	2020 %
<b>Held by EBH Capital Pte. Ltd.</b>				
(Continued)				
The Clinic @ Marina One Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–
The Clinic @ One George Street Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–
The Clinic @ HF Pte. Ltd. <sup>(3)(5)</sup>	Practice of general medical practitioners	Singapore	100	–
<b>Held by SBCC Clinic Pte Ltd</b>				
SBCC Women's Clinic Pte. Ltd. <sup>(1)</sup>	Provision of gynaecology services and operation of medical clinics	Singapore	100	100
<b>Held by Crane Medical Pte. Ltd.</b>				
Kang Wei Investment Consultancy (Shanghai) Co., Ltd. <sup>(4)(6)</sup>	Provision of medical services and consultancy	China	–	100

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by Gleneagle Trust

<sup>(3)</sup> Audited by Kreston Ardent CAtrust PAC

<sup>(4)</sup> Audited by EunaCon Perfect Alliance CPA Partnership

<sup>(5)</sup> Acquired during the financial year (Note 25)

<sup>(6)</sup> Disposed during the financial year

<sup>(7)</sup> Voluntarily struck off during the financial year

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Equity investments at cost</i>				
Beginning of financial year	<b>1,730</b>	1,969	<b>1,730</b>	1,969
Adjustments	-	-	<b>378</b>	-
Share of loss of an associate	<b>(300)</b>	(239)	-	(239)
End of financial year	<b>1,430</b>	1,730	<b>2,108</b>	1,730

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

<u>Name of company</u>	<u>Principal place of business</u>	<u>Principal activities</u>	<u>Proportion (%) of ownership interest</u>	
			<u>2021 %</u>	<u>2020 %</u>
<b><i>Held by the Company</i></b>				
Mednefits Holdings Pte. Ltd. (formerly known as Fully Holdings Pte. Ltd.)	Singapore	Investment holding	<b>14.81</b>	15.68

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

In the prior year, Mednefits Holdings Pte. Ltd. entered into a share subscription agreement with an investor and the existing shareholders of Mednefits Holding Pte. Ltd. (including the Company). Due to the issuance of new ordinary shares, the Company's shareholding percentage in Mednefits Holdings Pte. Ltd. decreased from 16.67% to 15.68% as at 31 December 2020, and decreased from 15.68% to 14.81% as at 31 December 2021.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 13. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (CONTINUED)

### (b) *Investment in an associate* (Continued)

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

#### *Summarised balance sheet*

	<b>Unaudited</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Current assets	<b>931</b>	826
Current liabilities	<b>(1,222)</b>	(319)
Non-current assets	<b>33</b>	35
Non-current liabilities	<b>-</b>	-
	<b><u>          </u></b>	<u>          </u>

#### *Summarised statement of comprehensive income*

Revenue	<b>1,301</b>	813
Loss for the year	<b>(2,173)</b>	(1,435)
Total comprehensive income for the year	<b><u>(2,173)</u></b>	<u>(1,435)</u>

#### *Reconciliation of summarised financial information*

	<b>Unaudited</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Net (liabilities)/assets	<b><u>(258)</u></b>	<u>542</u>
Group's equity interest	<b>14.81%</b>	15.68%
Group's share of net (liabilities)/assets	<b>(38)</b>	85
Goodwill	<b><u>1,468</u></b>	<u>1,645</u>
Carrying value	<b><u>1,430</u></b>	<u>1,730</u>

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**14. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements \$'000	Medical equipment \$'000	Computers \$'000	Furniture, fittings and equipment \$'000	Signboards \$'000	Assets in progress \$'000	Right-of-use assets (Note (a)) \$'000	Total \$'000
<b>Group</b>								
<b>2021</b>								
<i>Cost</i>								
Beginning of financial year	9,853	4,511	1,463	1,128	234	19	39,682	56,890
Acquisition of subsidiaries (Note 25)	86	1	6	6	-	-	1,192	1,291
Additions	425	601	276	140	15	-	7,329	8,786
Disposals/write-off	(352)	(121)	(530)	(85)	-	-	(2,859)	(3,947)
Reclassification	-	-	13	6	-	(19)	-	-
End of financial year	<b>10,012</b>	<b>4,992</b>	<b>1,228</b>	<b>1,195</b>	<b>249</b>	<b>-</b>	<b>45,344</b>	<b>63,020</b>
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	4,552	2,334	1,244	443	48	-	25,634	34,255
Depreciation charge	1,558	429	211	112	28	-	8,417	10,755
Disposals/write-off	(278)	(69)	(530)	(68)	-	-	(2,769)	(3,714)
End of financial year	<b>5,832</b>	<b>2,694</b>	<b>925</b>	<b>487</b>	<b>76</b>	<b>-</b>	<b>31,282</b>	<b>41,296</b>
<b>Net carrying amount</b>								
<b>End of financial year</b>	<b>4,180</b>	<b>2,298</b>	<b>303</b>	<b>708</b>	<b>173</b>	<b>-</b>	<b>14,062</b>	<b>21,724</b>
<b>2020</b>								
<i>Cost</i>								
Beginning of financial year	9,604	4,845	1,384	1,114	206	71	35,750	52,974
Additions	609	129	80	22	29	-	6,281	7,150
Disposals/write-off	(412)	(463)	(1)	(8)	(1)	-	(2,349)	(3,234)
Reclassification	52	-	-	-	-	(52)	-	-
End of financial year	9,853	4,511	1,463	1,128	234	19	39,682	56,890
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	3,423	2,042	1,033	338	22	-	19,047	25,905
Depreciation charge	1,262	527	212	113	26	-	8,617	10,757
Disposals/write-off	(133)	(235)	(1)	(8)	-	-	(2,030)	(2,407)
End of financial year	4,552	2,334	1,244	443	48	-	25,634	34,255
<b>Net carrying amount</b>								
<b>End of financial year</b>	<b>5,301</b>	<b>2,177</b>	<b>219</b>	<b>685</b>	<b>186</b>	<b>19</b>	<b>14,048</b>	<b>22,635</b>

At balance sheet date, borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$1,730,000 (2020: \$2,550,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements \$'000	Computer \$'000	Furniture, fittings and equipment \$'000	Right-of-use assets (Note (a)) \$'000	Total \$'000
<b>Company</b>					
<b>2021</b>					
<i>Cost</i>					
Beginning and end of financial year	832	52	17	2,838	3,739
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	459	31	5	1,581	2,076
Depreciation charge	183	9	2	486	680
End of financial year	642	40	7	2,067	2,756
<b>Net carrying amount</b>					
<b>End of financial year</b>	<b>190</b>	<b>12</b>	<b>10</b>	<b>771</b>	<b>983</b>
<b>2020</b>					
<i>Cost</i>					
Beginning of financial year	785	51	17	1,380	2,233
Additions	47	1	–	1,458	1,506
End of financial year	832	52	17	2,838	3,739
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	317	14	4	1,169	1,504
Depreciation charge	142	17	1	412	572
End of financial year	459	31	5	1,581	2,076
<b>Net carrying amount</b>					
<b>End of financial year</b>	<b>373</b>	<b>21</b>	<b>12</b>	<b>1,257</b>	<b>1,663</b>

(a) **Right-of-use (“ROU”) assets**

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

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

*Subleases – classified as operating leases*

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

Income from subleasing the commercial premises recognised during the financial year 2021 was \$222,000 (2020: \$251,000) (Note 5).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**(a) **Right-of-use (“ROU”) assets** (Continued)*Subleases – classified as operating leases* (Continued)

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

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Less than one year	<b>210</b>	130
One to two years	<b>166</b>	43
Two to three years	<b>56</b>	13
	<b>432</b>	186

*Subleases – classified as finance leases*

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

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

**15. INTANGIBLE ASSETS**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Goodwill arising on consolidation (Note (a))	<b>116,484</b>	113,575	–	–
Brand names (Note (a))	<b>32,394</b>	32,394	–	–
Computer software, including licences (Note (b))	<b>618</b>	373	<b>593</b>	359
Computer software in progress (Note (c))	–	245	–	245
	<b>149,496</b>	146,587	<b>593</b>	604

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 15. INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill arising from consolidation and brand names

	<b>Goodwill</b>	<b>Brand</b>	<b>Total</b>
	<b>\$'000</b>	<b>names</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
<b>2021</b>			
<i>Cost</i>			
Beginning of financial year	203,031	32,394	235,425
Addition (Note 25)	2,909	–	2,909
	<u>205,940</u>	<u>32,394</u>	<u>238,334</u>
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	–	89,456
	<u>89,456</u>	<u>–</u>	<u>89,456</u>
<b>Net carrying amount</b>			
<b>End of financial year</b>	<b><u>116,484</u></b>	<b><u>32,394</u></b>	<b><u>148,878</u></b>
<b>2020</b>			
<i>Cost</i>			
Beginning of financial year	201,465	32,394	233,859
Addition (Note 25)	1,566	–	1,566
	<u>203,031</u>	<u>32,394</u>	<u>235,425</u>
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	–	89,456
	<u>89,456</u>	<u>–</u>	<u>89,456</u>
<b>Net carrying amount</b>			
<b>End of financial year</b>	<b><u>113,575</u></b>	<b><u>32,394</u></b>	<b><u>145,969</u></b>

### **Impairment test for goodwill and brand names with indefinite useful lives**

For the purpose of impairment testing, goodwill and brand names with indefinite useful lives are allocated to the respective Singapore service groups (“**cash generating units**” or “**CGUs**”).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**15. INTANGIBLE ASSETS (CONTINUED)**

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

The aggregate carrying amount and impairment loss of goodwill and brand names with indefinite useful lives are allocated to each CGU identified according to service groups as follows:

	<b>Goodwill</b>			<b>Net carrying amount</b>
	<b>Cost</b>	<b>Accumulated impairment losses</b>	<b>Brand names</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2021</b>				
<u>Service groups</u>				
Family medicine	73,499	(4,500)	8,000	76,999
Dentistry	7,191	(7,191)	–	–
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Wellness and aesthetic	4,657	(4,657)	–	–
Obstetrics and gynaecology	3,792	(1,904)	–	1,888
Nobel specialist	20,844	(6,000)	5,081	19,925
	<b>205,940</b>	<b>(89,456)</b>	<b>32,394</b>	<b>148,878</b>
<b>2020</b>				
<u>Service groups</u>				
Family medicine	70,590	(4,500)	8,000	74,090
Dentistry	7,191	(7,191)	–	–
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Wellness and aesthetic	4,657	(4,657)	–	–
Obstetrics and gynaecology	3,792	(1,904)	–	1,888
Nobel specialist	20,844	(6,000)	5,081	19,925
	<b>203,031</b>	<b>(89,456)</b>	<b>32,394</b>	<b>145,969</b>

The recoverable amount of each CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated terminal growth rate stated below. The terminal growth rate did not exceed the long-term average growth rate for the healthcare industry in Singapore.

Key assumptions used in the value-in-use calculations:

- The compound annual revenue growth rate for each CGU included in the cash flow projections ranged between 2.0% to 6.1% (2020: 2.0% to 7.8%) per annum for years 2022 to 2026.
- The pre-tax discount rate for each CGU included in the cash flow projections was approximately 8.9% to 9.2% (2020: 9.0% to 9.2%).
- The anticipated terminal growth rate for each CGU was approximately 1.7% (2020: 2.0%).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 15. INTANGIBLE ASSETS (CONTINUED)

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

These assumptions were determined based on past performance and management's expectations of market developments with reference to internal and external sources. The growth rates used took into account forecasts included in industry reports.

Based on management's assessment, no impairment loss was recorded on the goodwill and brand names with indefinite useful life for the financial year ended 31 December 2021 (2020: \$Nil).

#### *Sensitivity analysis*

An unfavourable change by 10% (2020: 10%) of any of the individual key assumptions used in management's estimates would not have resulted in an impairment to goodwill and brand names being required as at balance sheet date.

### (b) Computer software, including licences

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Cost</i>				
Beginning of financial year	<b>2,055</b>	1,670	<b>1,833</b>	1,448
Additions	<b>119</b>	–	<b>93</b>	–
Write-off	<b>(40)</b>	–	<b>–</b>	–
Reclassification	<b>275</b>	385	<b>275</b>	385
End of financial year	<b>2,409</b>	2,055	<b>2,201</b>	1,833
<i>Accumulated amortisation</i>				
Beginning of financial year	<b>1,682</b>	1,656	<b>1,474</b>	1,448
Write-off	<b>(26)</b>	–	<b>–</b>	–
Amortisation for the year	<b>135</b>	26	<b>134</b>	26
End of financial year	<b>1,791</b>	1,682	<b>1,608</b>	1,474
<b>Net carrying amount</b>				
<b>End of financial year</b>	<b>618</b>	373	<b>593</b>	359

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**15. INTANGIBLE ASSETS (CONTINUED)**

(c) Computer software in progress

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Cost</i>				
Beginning of financial year	245	468	245	468
Addition	30	162	30	162
Reclassification	(275)	(385)	(275)	(385)
End of financial year	-	245	-	245
<i>Accumulated amortisation</i>				
Beginning and end of financial year	-	-	-	-
<b>Net carrying amount</b>				
<b>End of financial year</b>	-	245	-	245

**16. DERIVATIVE ASSET**

	Group	
	2021 \$'000	2020 \$'000
Beginning of financial year	-	-
Acquisition of subsidiaries (Note 25)	381	-
Fair value gain (Note 5)	224	-
End of financial year	605	-

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Trade payables to:				
– non-related parties	11,410	6,667	–	–
Other payables to:				
– non-related parties	3,677	2,387	339	285
– related parties	10	19	10	14
– subsidiaries	–	–	93	544
	<b>15,097</b>	9,073	<b>442</b>	843
Deferred income	345	485	–	–
Accrued expenses	9,464	8,219	972	767
	<b>24,906</b>	17,777	<b>1,414</b>	1,610
<b>Non-current</b>				
Other payables to non-related parties	235	431	–	–
Other payables to non-controlling interest	3,256	–	–	–
	<b>3,491</b>	431	–	–

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

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

Deferred income relates to unsatisfied contracts of periods of one year or less, and/or relates to fixed-price medical services. As permitted under SFRS(I) 15, the details of the aggregated transaction price relating to unsatisfied performance obligations of these contracts are not disclosed.

Other payables to non-controlling interest (“**NCI**”) relate to a contract between the Group and the NCI to purchase the shares held by the NCI in a subsidiary. The contract is not expected to be settled within the next 12 months.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**18. BORROWINGS**

	Effective interest rate	Maturity	Group	
			2021 \$'000	2020 \$'000
<b>Current</b>				
Other secured borrowings	4.73% – 4.75%	2022	<b>910</b>	872
<b>Non-current</b>				
Other secured borrowings	4.73% – 4.75%	2023 to 2024	<b>508</b>	1,507
Total borrowings			<b>1,418</b>	2,379

Other secured borrowings are effectively secured over property, plant and equipment (Note 14), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of these secured borrowings.

The exposure of other secured borrowings of the Group to interest rate changes at the balance sheet dates is as follows:

	Group	
	2021 \$'000	2020 \$'000
Minimum lease payments due		
– Not later than one year (undiscounted)	<b>934</b>	964
– Between one and five years (undiscounted)	<b>542</b>	1,569
	<b>1,476</b>	2,533
Less: Future finance charges	<b>(58)</b>	(154)
Present value of lease payments	<b>1,418</b>	2,379

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

	Group	
	2021 \$'000	2020 \$'000
Not later than one year	<b>910</b>	872
Between one and five years	<b>508</b>	1,507
Total	<b>1,418</b>	2,379

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 19. LEASE LIABILITIES

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

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Minimum lease payments due				
– Not later than one year (undiscounted)	<b>7,762</b>	8,078	<b>801</b>	801
– Between one and five years (undiscounted)	<b>8,174</b>	8,076	<b>400</b>	1,201
– More than five years (undiscounted)	<b>80</b>	296	<b>–</b>	–
	<b>16,016</b>	16,450	<b>1,201</b>	2,002
Less: Future finance charges	<b>(908)</b>	(1,023)	<b>(42)</b>	(112)
Present value of lease payments	<b>15,108</b>	15,427	<b>1,159</b>	1,890
Current	<b>7,220</b>	7,624	<b>764</b>	730
Non-current	<b>7,888</b>	7,803	<b>395</b>	1,160
Total lease liabilities	<b>15,108</b>	15,427	<b>1,159</b>	1,890

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not later than one year	<b>7,220</b>	7,624	<b>764</b>	730
Between one and five years	<b>7,810</b>	7,518	<b>395</b>	1,160
More than five years	<b>78</b>	285	<b>–</b>	–
Total	<b>15,108</b>	15,427	<b>1,159</b>	1,890

*Lease expenses not capitalised in lease liabilities*

	Group	
	2021 \$'000	2020 \$'000
Lease expenses – short-term leases	<b>172</b>	180
Lease expenses – low value leases	<b>24</b>	57
	<b>196</b>	237

Total cash outflow for all the leases in 2021 was approximately \$9,661,000 (2020: \$9,483,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**20. PROVISIONS**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Provision for restoration costs	<b>1,645</b>	1,707	<b>105</b>	105

Movement in provision for restoration costs is as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Beginning of financial year	<b>1,707</b>	1,319	<b>105</b>	58
Additions	<b>39</b>	522	-	47
Provision utilised	<b>(34)</b>	(134)	-	-
Provision reversed	<b>(67)</b>	-	-	-
End of financial year	<b>1,645</b>	1,707	<b>105</b>	105

**21. DEFERRED INCOME TAXES**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred income tax assets	<b>1,484</b>	714	-	-
Deferred income tax liabilities	<b>(901)</b>	(1,178)	-	-
Net deferred income taxes	<b>583</b>	(464)	-	-

Deferred income taxes relates to the following:

Group	At	Recognised	At	Recognised	At
	1 January 2020 \$'000	in profit or loss \$'000	31 December 2020 \$'000	in profit or loss \$'000	31 December 2021 \$'000
Unutilised tax losses	-	714	714	(269)	<b>445</b>
Provisions	84	-	84	698	<b>782</b>
Differences in depreciation for tax purposes	(361)	-	(361)	514	<b>153</b>
Brand names	(901)	-	(901)	-	<b>(901)</b>
Others	-	-	-	104	<b>104</b>
Net deferred income taxes	(1,178)	714	(464)	1,047	<b>583</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 21. DEFERRED INCOME TAXES (CONTINUED)

Company	At 1 January 2020 \$'000	Recognised in profit or loss \$'000	At 31 December 2020 \$'000	Recognised in profit or loss \$'000	At 31 December 2021 \$'000
Provisions	13	–	13	(13)	–
Differences in depreciation for tax purposes	(13)	–	(13)	13	–
Net deferred income taxes	–	–	–	–	–

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

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through taxable profits is probable. The Group has unrecognised tax losses of \$58,688,000 (2020: \$67,123,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Singapore. These tax losses have no expiry dates.

## 22. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES

	Group and Company			
	No. of ordinary shares Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
<b>2021</b>				
Beginning of financial year	4,528,792	(9,451)	277,433	(236)
Treasury shares reissued pursuant to share-based compensation plans	–	8,115	–	203
End of financial year	4,528,792	(1,336)	277,433	(33)
<b>2020</b>				
Beginning of financial year	4,528,792	(17,566)	277,433	(438)
Treasury shares reissued pursuant to share-based compensation plans	–	8,115	–	202
End of financial year	4,528,792	(9,451)	277,433	(236)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

### Ordinary and treasury shares

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

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

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

### Other reserves

Composition:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Share-based compensation reserve	235	235	235	235
Currency translation reserve	-	799	-	-
Capital reserve	(3,153)	31	62	31
	<b>(2,918)</b>	1,065	<b>297</b>	266

Movement:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Share-based compensation reserve:</b>				
Beginning of financial year	235	235	235	235
- Treasury shares reissued pursuant to share-based compensation plans	(235)	(235)	(235)	(235)
- Value of employee services	235	235	235	235
End of financial year	<b>235</b>	235	<b>235</b>	235

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

### Other reserves (Continued)

Share-based compensation reserve represents the equity-settled performance share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Currency translation reserve:</b>				
Beginning of financial year	799	797	-	-
- Transfer of foreign currency translation differences to accumulated losses on disposal of subsidiary	(799)	-	-	-
- Net currency translation differences of financial statements of foreign operations	-	2	-	-
End of financial year	-	799	-	-

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose foreign currencies are different from that of the Group's presentation currency.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Capital reserve:</b>				
Beginning of financial year	31	-	31	-
- Treasury shares reissued pursuant to share-based compensation plans <sup>(1)</sup>	32	33	32	33
- Share reissuance expenses <sup>(1)</sup>	(1)	(2)	(1)	(2)
- Put option granted to non-controlling interest <sup>(2)</sup>	(3,215)	-	-	-
End of financial year	(3,153)	31	62	31

<sup>(1)</sup> Capital reserve represents the realised gain or loss on sale or reissue of treasury shares, net of any directly attributable incremental transaction costs and related income tax.

<sup>(2)</sup> As part of the acquisition of subsidiaries (Note 25), the Group granted a put option to the non-controlling interest ("NCI") to require the Group to purchase the shares held by the NCI in a subsidiary. The Group has accounted for the put option as a financial liability (Note 17) at the present value of the option exercise price, with a corresponding debit to equity attributable to the owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 23. MOVEMENTS IN COMPANY'S ACCUMULATED LOSSES

	Company	
	2021	2020
	\$'000	\$'000
Beginning of financial year	(41,039)	(41,297)
Profit for the year	1,203	258
End of financial year	<b>(39,836)</b>	<b>(41,039)</b>

## 24. COMMITMENTS AND CONTINGENCIES

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Corporate guarantees relating to:</i>				
– on subsidiaries' other secured borrowings	–	–	1,418	2,379
– performance guarantees	382	382	14	14
	<b>382</b>	<b>382</b>	<b>1,432</b>	<b>2,393</b>

## 25. BUSINESS COMBINATIONS

### *Acquisition of subsidiaries*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 25. BUSINESS COMBINATIONS (CONTINUED)

### **Acquisition of subsidiaries** (Continued)

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

	<u>\$'000</u>
Purchase consideration	3,698
Assets and liabilities recognised as a result of the acquisition:	
	<u>\$'000</u>
<b>Assets</b>	
Property, plant and equipment (Note 14)	1,291
Cash and cash equivalents	337
Trade and other receivables	763
Inventories	191
	<u>2,582</u>
<b>Liabilities</b>	
Trade and other payables	(545)
Lease liabilities	(1,227)
Current income tax liabilities	(11)
Total liabilities	<u>(1,783)</u>
<b>Total identifiable net assets acquired</b>	799
Non-controlling interests (49% of net assets)	(391)
Derivative asset (Note 16)	381
Goodwill on acquisition of businesses (Note 15)	<u>2,909</u>
Total cash consideration	3,698
Cash and cash equivalents acquired	337
Cash paid	<u>(3,698)</u>
<b>Cash outflow on acquisition</b>	<u>(3,361)</u>

(a) Acquisition-related costs

Acquisition-related costs of \$50,000 were expensed and are included in other expenses.

(b) Acquired receivables

The fair value of trade and other receivables is \$763,000. The gross contractual amount for trade and other receivables due is \$785,000 before net of allowance for impairment loss of \$22,000. Management is of the view that there is no material credit risk relating to the trade and other receivables of \$763,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 25. BUSINESS COMBINATIONS (CONTINUED)

### **Acquisition of subsidiaries** (Continued)

#### (c) Goodwill

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

#### (d) Contribution to the Group

The acquired subsidiaries contributed revenue of \$1,198,000 and incurred loss of \$152,000 to the Group for the period from 1 October 2021 to 31 December 2021. If the business combination had taken place at the beginning of the financial year, the revenue contribution by EBH Group from continuing operations would have been \$4,464,000 and the contribution to the Group's loss for the year would have been \$339,000.

### **Acquisition of businesses**

During the previous financial year, the Group through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd ("**HMG**"), acquired a General Practitioner ("**GP**") clinic for a total consideration of approximately \$1,566,000 comprising a cash consideration of \$940,000 and a contingent consideration of approximately \$626,000.

The following is a summary of the details relating to the acquisition:

	<b>2020</b>
	<b>\$'000</b>
(i) Purchase consideration	
Cash paid and consideration transferred for the business	940
Contingent consideration (Note (v) below)	626
	<u>1,566</u>
(ii) Effect on cash flows of the Group	
Cash paid (as above)	940
Less: cash and cash equivalents acquired	–
<b>Cash outflow on acquisition</b>	<u>940</u>
(iii) A goodwill amounting to \$1,566,000 is recognised on the acquisition date and is measured as the excess of the purchase consideration of \$1,566,000 over the net amounts of the identifiable assets acquired and liabilities assumed in these acquisitions.	
(iv) Acquisition-related costs	

Acquisition-related costs of \$9,000 were expensed and are included in other expenses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 25. BUSINESS COMBINATIONS (CONTINUED)

### *Acquisition of businesses* (Continued)

(v) Contingent consideration

As part of the purchase agreement with the former owner of the clinic, a contingent consideration has been agreed. Additional cash payments shall be payable to the former owner of the clinic in 3 tranches on 31 December 2020, 31 December 2021 and 31 December 2022 (“**Payment Dates**”). The consideration will be adjusted based on the clinic’s gross profit recorded for the 12-month period immediately preceding the Payment Dates.

As at the acquisition date, management has estimated the fair value of the contingent consideration to be \$626,000, which was calculated by applying the income approach using the probability-weighted payout approach. This is a Level 3 fair value measurement.

As at 31 December 2021 and 2020, no adjustment to the fair value of the contingent consideration was made.

During the year, the Group paid out \$336,000 relating to contingent consideration from acquisition of businesses.

(vi) Acquired receivables

There is no acquired receivables arising from the acquisition.

(vii) Goodwill

The goodwill of \$1,566,000 arising from the acquisition is attributable to the synergies between the businesses and the anticipated economies of scale arising from combining the operations of the Group with those of the GP clinic. There were no material tangible assets being transferred to the Group.

(viii) Revenue contribution

The acquired business contributed revenue of \$1,073,000 to the Group during the financial year ended 31 December 2020.

In the previous financial year, the Group paid out \$140,000 relating to contingent consideration from acquisition of a GP clinic on 1 January 2019.

## 26. FINANCIAL RISK MANAGEMENT

### *Financial risk factors*

The Group’s activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group’s overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group’s financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Detailed policies are established and carried out by management in accordance with the objectives and underlying principles approved by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Financial risk factors* (Continued)

#### (a) *Market risk*

##### (i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore. The Group's monetary assets and liabilities are principally denominated in Singapore Dollar ("**SGD**").

The Group and Company is not exposed to significant foreign currency risk on monetary assets and liabilities that are denominated in a currency other than the respective functional currencies.

##### (ii) *Interest rate risks*

Interest rate risk is the risk that the future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash and bank balances. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has no material exposure to changes in interest rates.

#### (b) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with credit worthy counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Corporate guarantees relating to:</i>				
– subsidiaries' other secured borrowings (undiscounted)	–	–	<b>1,476</b>	2,533

The Group has four customers (2020: six) with balances individually greater than 5% of the total trade and other receivables.

1.3% (2020: 0.9%) of the Group's trade and other receivables were due from related parties while 0.5% (2020: 2.4%) of the Company's receivables were balances with related parties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Financial risk factors* (Continued)

#### (b) *Credit risk* (Continued)

##### (i) *Trade receivables and finance lease receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. Finance lease receivables are subject to immaterial credit loss.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty is unlikely to make contractual payments in full to the Group. The Group then makes a provision in full for the financial asset when a debtor fails to make payments greater than 365 days past due. Where receivables are greater than 365 days past due, the Company continues to engage in collection efforts to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following table provides information of the Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2021 and 31 December 2020.

Group	<b>Current to 365 days past due \$'000</b>	<b>More than 365 days past due \$'000</b>	<b>Total \$'000</b>
<b>As at 31 December 2021</b>			
<b>Sales of medical services</b>			
Weighted-average expected loss rate	4.0%	100%	
Trade receivables	21,532	2,634	24,166
Loss allowance	(852)	(2,634)	(3,486)
<b>As at 31 December 2020</b>			
<b>Sales of medical services</b>			
Weighted-average expected loss rate	6.2%	100%	
Trade receivables	13,492	3,649	17,141
Loss allowance	(833)	(3,649)	(4,482)

Finance lease receivables are subject to immaterial credit loss.

##### (ii) *Financial guarantee contracts*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company does not expect significant credit losses arising from these guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### **Financial risk factors** (Continued)

#### (b) *Credit risk* (Continued)

##### (iii) *Other receivables and deposits*

The Company does not expect significant credit losses arising from these balances.

##### (iv) *Cash and cash equivalents*

The Group and the Company held cash and cash equivalents of \$33,552,000 and \$28,961,000 respectively (2020: \$27,411,000 and \$22,691,000) with banks which are rated AA and A based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### (c) *Liquidity risk*

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting financial obligations due to shortage of funds.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<b>Contractual cash flows \$'000</b>	<b>Less than 1 year \$'000</b>	<b>Between 1 and 5 years \$'000</b>	<b>More than 5 years \$'000</b>
<b>Group</b>				
<b>2021</b>				
<b>Non-derivative financial liabilities</b>				
Other secured borrowings	1,476	934	542	-
Lease liabilities	16,016	7,762	8,174	80
Trade and other payables*	25,414	21,075	4,339	-
	<b>42,906</b>	<b>29,771</b>	<b>13,055</b>	<b>80</b>
<b>2020</b>				
<b>Non-derivative financial liabilities</b>				
Other secured borrowings	2,533	964	1,569	-
Lease liabilities	16,450	8,078	8,076	296
Trade and other payables*	14,624	14,193	431	-
	<b>33,607</b>	<b>23,235</b>	<b>10,076</b>	<b>296</b>

\* Excludes deferred income, provision for unutilised leave and goods and services tax payables, net.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Financial risk factors* (Continued)

#### (c) *Liquidity risk* (Continued)

	<b>Contractual cash flows \$'000</b>	<b>Less than 1 year \$'000</b>	<b>Between 1 and 5 years \$'000</b>
<b>Company</b>			
<b>2021</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables*	1,328	1,328	–
Lease liabilities	1,201	801	400
Financial guarantee contracts	1,476	934	542
	<u>4,005</u>	<u>3,063</u>	<u>942</u>
<b>2020</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables*	1,557	1,557	–
Lease liabilities	2,002	801	1,201
Financial guarantee contracts	2,533	964	1,569
	<u>6,092</u>	<u>3,322</u>	<u>2,770</u>

\* Excludes provision for unutilised leave and goods and services tax payables, net

#### (d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio.

The Group and Company are not subjected to any externally imposed capital requirements for the financial year ended 31 December 2021 and 31 December 2020.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**26. FINANCIAL RISK MANAGEMENT (CONTINUED)****Financial risk factors** (Continued)(e) *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assets, at amortised cost	<b>57,815</b>	44,031	<b>29,530</b>	23,819
Financial assets, at fair value through profit or loss	<b>605</b>	–	–	–
Financial liabilities, at amortised cost	<b>41,092</b>	32,430	<b>2,487</b>	3,447

**27. FAIR VALUE MEASUREMENT***Fair value hierarchy*

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

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

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

(a) *Assets and liabilities measured at fair value*

The following table shows an analysis of asset measured at fair value at the end of the reporting period:

	<b>Level 3 \$'000</b>
<b>Group</b>	
<b>2021</b>	
<b>Financial assets</b>	
Derivative	
Option in NCI's shares (Note 16)	<b>605</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 27. FAIR VALUE MEASUREMENT (CONTINUED)

*Fair value hierarchy (Continued)*

(a) *Assets and liabilities measured at fair value (Continued)*

### **Level 3 fair value measurements**

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

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

<b>Group</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range used</b>
<b>Recurring fair value measurement</b>			
Derivative	Options pricing model	Earnings before interest, taxes, depreciation and amortisation (“ <b>EBITDA</b> ”) growth rates	2% to 166%

(ii) Valuation policies and procedures

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

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

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 27. FAIR VALUE MEASUREMENT (CONTINUED)

*Fair value hierarchy (Continued)*

(a) *Assets and liabilities measured at fair value (Continued)*

### **Level 3 fair value measurements** (Continued)

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

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

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Beginning of financial year	-	-
Acquisition of subsidiaries (Note 25)	<b>381</b>	-
Fair value gain (Note 5)	<b>224</b>	-
End of financial year	<b>605</b>	-

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Cash and bank balances (Note 10), current trade and other receivables (Note 11), current trade and other payables (Note 17) and borrowings (Note 18)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

Trade and other receivables (non-current) (Note 11), trade and other payables (non-current) (Note 17)

The fair values correspond to the balance sheet carrying amounts as the fair values are estimated by discounting expected future cash flows at market incremental lending rate for similar types of financing arrangements at the balance sheet date, or the impact of discounting future cash flows is not material.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 28. RELATED PARTY TRANSACTIONS

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

### (a) Related party transactions

	Group	
	2021 \$'000	2020 \$'000
Rental and other operating expenses	1,275	1,063
Rental deposits paid	–	16
Rental income	242	242
Staff costs	289	264

Balances with related parties at the balance sheet date are set out in Note 11 and Note 17.

Related parties comprise mainly companies which are controlled or significantly influenced by the deemed controlling shareholder of the Company and a close family member of a key management personnel of the Company.

### (b) Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprise:

	Group	
	2021 \$'000	2020 \$'000
Wages and salaries	1,363	590
Directors' fees of the Company	193	176
Employer's contribution to defined contribution plans including Central Provident Fund	16	12
	<b>1,572</b>	<b>778</b>

# NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

## 29. **SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker (“**CODM**”) that are used to make strategic decisions, allocate resources, and assess performance. The CODM considers the business from both a geographic and business segment perspective and regularly reviews internal management reports for each of the business units.

### **Business segments**

The Group has the following strategic business units.

- Primary Healthcare comprising family medicine, dentistry, healthcare benefit management and investment in strategic medical related business; and
- Specialist Healthcare comprising paediatrics, orthopaedics, aesthetic medicine, obstetrics and gynaecology and Nobel specialist comprising cardiology, gastroenterology, psychiatry, ophthalmology (eye), otorhinolaryngology (ear, nose and throat) and general surgery.

### **Geographical segments**

The Group's operations are mainly in Singapore.

### **Major customer**

Revenue from one customer (2020: Nil) amounted to more than 10% of the Group's revenue.

Whilst the CODM receives separate reports for each of the Group's strategic business units, the results have been aggregated into the Primary Healthcare and Specialist Healthcare segments. Such aggregation is determined by the nature of risks associated with each business segment as they offer different products and services and require different marketing strategies.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 29. SEGMENT INFORMATION (CONTINUED)

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

	← Singapore →		China	Total
	Primary Healthcare \$'000	Specialist Healthcare \$'000	Specialist Healthcare \$'000	
<b>2021</b>				
<b>Sales</b>				
Total segment sales and sales to external parties	87,537	52,385	–	139,922
<b>Adjusted EBITDA</b>	<b>13,211</b>	<b>8,732</b>	<b>34</b>	<b>21,977</b>
Depreciation of property, plant and equipment	7,184	3,571	–	10,755
Amortisation of intangible assets	135	–	–	135
<b>Segment assets</b>	<b>130,642</b>	<b>84,763</b>	<b>–</b>	<b>215,405</b>
Segment assets include:				
– Additions to property, plant and equipment	6,282	2,504	–	8,786
– Additions to intangible assets	3,058	–	–	3,058
<b>Segment liabilities</b>	<b>26,461</b>	<b>15,433</b>	<b>–</b>	<b>41,894</b>
<b>2020</b>				
<b>Sales</b>				
Total segment sales and sales to external parties	50,497	46,936	–	97,433
<b>Adjusted EBITDA</b>	<b>8,152</b>	<b>6,288</b>	<b>(73)</b>	<b>14,367</b>
Depreciation of property, plant and equipment	6,982	3,773	2	10,757
Amortisation of intangible assets	26	–	–	26
<b>Segment assets</b>	<b>113,836</b>	<b>85,377</b>	<b>35</b>	<b>199,248</b>
Segment assets include:				
– Additions to property, plant and equipment	4,192	2,761	–	6,953
– Additions to intangible assets	1,703	–	–	1,703
<b>Segment liabilities</b>	<b>22,741</b>	<b>12,231</b>	<b>370</b>	<b>35,342</b>

The revenue reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

The CODM assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation (“**Adjusted EBITDA**”) for continuing operations. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**29. SEGMENT INFORMATION (CONTINUED)**

## (a) Reconciliations

(i) *Segment profits*

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Adjusted EBITDA for reportable segments	<b>21,977</b>	14,367
Depreciation of property, plant and equipment	<b>(10,755)</b>	(10,757)
Amortisation of intangible assets	<b>(135)</b>	(26)
Interest income	<b>54</b>	140
Fair value gain on derivative asset	<b>224</b>	–
Finance expenses	<b>(839)</b>	(965)
Share of loss of an associate – net of tax	<b>(300)</b>	(239)
<b>Profit before income tax</b>	<b>10,226</b>	2,520

(ii) *Segment assets*

The amounts reported to the CODM with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than the amounts disclosed below.

Segment assets are reconciled to total assets as follows:

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Segment assets for reportable segments	<b>215,405</b>	199,248
Unallocated:		
– Short-term bank deposits (Note 10)	<b>17,805</b>	17,778
– Investment in an associate (Note 13)	<b>1,430</b>	1,730
– Derivative asset (Note 16)	<b>605</b>	–
– Deferred income tax assets (Note 21)	<b>1,484</b>	714
<b>Total assets</b>	<b>236,729</b>	219,470

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 29. SEGMENT INFORMATION (CONTINUED)

### (a) Reconciliations (Continued)

#### (iii) Segment liabilities

The amounts reported to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than the amounts disclosed below.

Segment liabilities are reconciled to total liabilities as follows:

	<b>Group</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Segment liabilities for reportable segments	<b>41,894</b>	35,342
Unallocated:		
– Current income tax liabilities (Note 8(c))	<b>613</b>	29
– Deferred income tax liabilities (Note 21)	<b>901</b>	1,178
– Other payables to non-controlling interest (Note 17)	<b>3,256</b>	–
– Borrowings (Note 18)	<b>1,418</b>	2,379
<b>Total liabilities</b>	<b>48,082</b>	38,928

### (b) Geographical information

	<b>Sales for continuing operations</b>	
	<b>2021</b>	2020
	<b>\$'000</b>	\$'000
Singapore	<b>139,922</b>	97,433

Majority of non-current assets are all located in Singapore.

## 30. EVENTS AFTER THE REPORTING PERIOD

On 1 January 2022, the Group divested 40% of Healthway Dental Pte. Ltd., a wholly-owned subsidiary. The divestment had no material impact on the Group's profitability, assets and liabilities.

On 2 March 2022, the Group, through its wholly-owned subsidiary, Unimedic Pte. Ltd., incorporated Straits Podiatry Pte. Ltd., a wholly-owned subsidiary.

## 31. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 March 2022.

# STATISTICS OF SHAREHOLDINGS

As at 15 March 2022

Total number of issued shares excluding treasury shares and subsidiary	:	4,527,456,100
Total number of treasury shares held	:	1,336,000 (representing 0.03% of the total number of Ordinary Shares)
Total number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary
Voting rights	:	One vote per Ordinary Shares

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	251	4.81	8,928	0.00
100 – 1,000	341	6.53	195,916	0.00
1,001 – 10,000	1,016	19.45	5,724,205	0.13
10,001 – 1,000,000	3,487	66.76	426,309,842	9.42
1,000,001 AND ABOVE	128	2.45	4,095,217,209	90.45
<b>TOTAL</b>	<b>5,223</b>	<b>100.00</b>	<b>4,527,456,100</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	GENTLE CARE PTE LTD	1,270,169,892	28.05
2	GW ACTIVE LIMITED	1,241,134,751	27.41
3	OCBC SECURITIES PRIVATE LIMITED	458,648,635	10.13
4	CITIBANK NOMINEES SINGAPORE PTE LTD	216,747,138	4.79
5	KGI SECURITIES (SINGAPORE) PTE. LTD	207,975,465	4.59
6	PHILLIP SECURITIES PTE LTD	75,694,877	1.67
7	DBS NOMINEES (PRIVATE) LIMITED	56,325,401	1.24
8	RAFFLES NOMINEES (PTE.) LIMITED	47,564,786	1.05
9	ABRAM MELKYZEDECK SUHARDIMAN	42,179,700	0.93
10	ONG ENG LOKE	24,324,100	0.54
11	MAYBANK SECURITIES PTE. LTD.	22,192,645	0.49
12	TAN KOON	19,457,100	0.43
13	LIM WEE HAN	18,900,700	0.42
14	UOB KAY HIAN PRIVATE LIMITED	16,806,836	0.37
15	HANIF MOEZ NOMANBHOY	15,650,011	0.35
16	ONG CHIN HUI (WANG ZHENHUI) OR LIM BEE LING (LIN MEILING)	14,939,500	0.33
17	TEOH TEIK KEE	13,000,000	0.29
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,599,104	0.28
19	FOO WEE FONG	12,500,300	0.28
20	SHEK CHEE KEONG	10,191,000	0.23
	<b>TOTAL</b>	<b>3,797,001,941</b>	<b>83.87</b>

# STATISTICS OF SHAREHOLDINGS

As at 15 March 2022

**SUBSTANTIAL SHAREHOLDERS** (as recorded in the Company's Register of Substantial Shareholders as at 15 March 2022)

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>1</sup>	No. of Shares	% <sup>1</sup>
Gentle Care Pte. Ltd.	1,594,776,083	35.22	–	– <sup>2</sup>
Valiant Leader Limited	–	–	1,594,776,083	35.22 <sup>3</sup>
Tamsett Holdings Limited	–	–	1,594,776,083	35.22 <sup>4</sup>
GW Active Limited	1,241,134,751	27.41	–	–
Gateway Fund I, L.P.	–	–	1,241,134,751	27.41 <sup>5</sup>
Continental Equity Inc.	–	–	253,865,182	5.61 <sup>6</sup>
Rickon Holdings Limited	–	–	1,848,641,265	40.83 <sup>7</sup>
Lippo China Resources Limited	–	–	1,848,641,265	40.83 <sup>8</sup>
Skyscraper Realty Limited	–	–	1,848,641,265	40.83 <sup>9</sup>
First Tower Corporation	–	–	1,848,641,265	40.83 <sup>10</sup>
Lippo Limited	–	–	1,848,641,265	40.83 <sup>11</sup>
Lippo Capital Limited	–	–	1,848,641,265	40.83 <sup>12</sup>
Lippo Capital Holdings Company Limited	–	–	1,848,641,265	40.83 <sup>13</sup>
Lippo Capital Group Limited	–	–	1,848,641,265	40.83 <sup>14</sup>
PT Trijaya Utama Mandiri	–	–	1,848,641,265	40.83 <sup>15</sup>
Dr. James Tjahaja Riady	–	–	1,848,641,265	40.83 <sup>16</sup>
Dr. Stephen Riady	–	–	1,848,641,265	40.83 <sup>17</sup>

## Notes:

- 1 Computed based on 4,527,456,100 shares in the Company ("**Shares**"), being the total number of issued voting Shares as at 15 March 2022. The total voting Shares as at 15 March 2022 has excluded 1,336,000 treasury shares.
- 2 Gentle Care Pte. Ltd. ("**GC**") is a wholly-owned subsidiary of Valiant Leader Limited ("**VL**"). GC holds 1,270,169,892 Shares through its CDP account and 324,606,191 Shares through OCBC Securities Private Limited (acting as nominee of GC).
- 3 VL is deemed to be interested in the Shares held by GC by virtue of its shareholding in GC. VL is the direct holding company of GC.
- 4 Tamsett Holdings Limited ("**TH**") is deemed to be interested in the Shares held by GC by virtue of its shareholding in VL. TH is a direct holding company of VL and is an indirect holding company of GC.
- 5 Gateway Fund I, L.P. ("**Fund**") is deemed to be interested in the Shares held by GW Active Limited ("**GW**") by virtue of its 100% shareholding in GW. Gateway Partners Limited ("**GP**") is the general partner of the Fund. GP has full control over the business and affairs of the Fund, including making all investment and divestment decisions, and voting the securities and interests held by the Fund, via the investment committee of the Fund. The limited partners of the Fund do not have any control over the business and affairs of the Fund, including the making of investment and divestment decisions and voting the securities and interests held by the Fund. The shareholders (direct or indirect) of the GP do not have, in their individual capacity as shareholders (direct or indirect) of the GP, any control over the business and affairs of the Fund, including the making of investment and divestment decisions and voting the securities and interests held by the Fund, and do not have the beneficial ownership in the securities and interests held by the Fund.
- 6 Continental Equity Inc. ("**CEI**") is deemed to be interested in 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI), and 126,913,882 Shares of the Company held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). CEI is a wholly-owned subsidiary of Rickon Holdings Limited ("**RH**").
- 7 RH is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in CEI and TH (an indirect holding company of GC and a wholly-owned subsidiary of RH) respectively. RH is the direct holding company of CEI.
- 8 Lippo China Resources Limited ("**LCR**") is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in RH. LCR is a direct holding company of RH and is an indirect holding company of CEI.
- 9 Skyscraper Realty Limited ("**Skyscraper**") is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in LCR. Skyscraper is a direct holding company of LCR and is an indirect holding company of CEI.
- 10 First Tower Corporation ("**First Tower**") is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in Skyscraper. First Tower is a direct holding company of Skyscraper and is an indirect holding company of CEI.

# STATISTICS OF SHAREHOLDINGS

As at 15 March 2022

- 11 Lippo Limited ("**Lippo**") is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in First Tower. Lippo is a direct holding company of First Tower and is an indirect holding company of CEI.
- 12 Lippo Capital Limited ("**Lippo Capital**") is deemed to be interested in the Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch and OCBC Securities Pte. Ltd. (acting as nominees for CEI) and the Shares held by GC by virtue of its shareholding in Lippo. Lippo Capital is a direct holding company of Lippo and is an indirect holding company of CEI.
- 13 Lippo Capital Holdings Company Limited ("**LCH**") is the holding company of Lippo Capital, which in turn is an intermediate holding company of GC and CEI. GC has a direct interest in 1,594,776,083 Shares. CEI holds 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, LCH has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 14 Lippo Capital Group Limited ("**LCG**") is the holding company of LCH. LCH is the holding company of Lippo Capital. Accordingly, LCG has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. GC has a direct interest in 1,594,776,083 Shares. CEI holds 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, LCG has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 15 PT Trijaya Utama Mandiri ("**PTT**") holds more than 20% of the shares in Lippo Capital. Accordingly, PTT has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. GC has a direct interest in 1,594,776,083 Shares. CEI holds 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, PTT has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 16 Dr. James Tjahaja Riady ("**Dr. James Riady**") effectively holds all the shares in PTT which holds more than 20% of the shares in Lippo Capital. Accordingly, Dr. James Riady has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. GC has a direct interest in 1,594,776,083 Shares. CEI holds 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, Dr. James Riady has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.
- 17 Dr. Stephen Riady ("**Dr. Riady**") holds all the shares in LCG, which is the holding company of LCH. LCH is the holding company of Lippo Capital. Lippo Capital has a deemed interest in 1,848,641,265 Shares. Accordingly, Dr. Riady has a deemed interest in the Shares in which Lippo Capital has an interest. Lippo Capital is an intermediate holding company of GC and CEI. GC has a direct interest in 1,594,776,083 Shares. CEI holds 126,951,300 Shares held through OCBC Securities Pte. Ltd. (acting as nominee for CEI) and 126,913,882 Shares held through Citibank Noms S'pore Pte. Ltd. for UBS AG Singapore Branch (acting as nominee for CEI). Accordingly, Dr. Riady has a deemed interest in the Shares in which GC and CEI have an interest, amounting to a total interest in 1,848,641,265 Shares.

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as of 15 March 2022, approximately 30.19% of the total number of issued voting Shares were held in the hands of the public and therefore, the Rule 723 of the Catalyst Rules is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifteenth Annual General Meeting (“**AGM**”) of Healthway Medical Corporation Limited (the “**Company**”) will be held by way of electronic means (via live webcast and audio only means) on Wednesday, 27 April 2022 at 2:00 p.m., for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2021 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Sin Boon Ann, a Director retiring pursuant to Regulation 98 of the Company’s Constitution and Rule 720(4) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and being eligible, has offered himself for re-election.  
(see explanatory note 1) **(Resolution 2)**
3. To re-elect Mr Abram Melkyzedek Suhardiman, a Director retiring pursuant to Regulation 98 of the Company’s Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST, and being eligible, has offered himself for re-election.  
(see explanatory note 2) **(Resolution 3)**
4. To approve the payment of Directors’ fees of S\$192,500 for the financial year ended 31 December 2021. (2020: S\$175,510) **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

## AS SPECIAL BUSINESS

To consider and if deemed fit, to pass, with or without modifications, the following Ordinary Resolution:

6. The Proposed General Share Issue Mandate (the “**Share Issue Mandate**”) **(Resolution 6)**

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”), and Rule 806 of the Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:

  - (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

  - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided always that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (the “**Shareholders**”) (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of total issued Shares shall be based on total issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution, after adjusting for:
  - (1) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;
  - (2) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and
  - (3) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company’s Constitution for the time being; and
- (d) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

(see explanatory note 3)

BY ORDER OF THE BOARD

Chen Chuanjian, Jason  
Chew Pei Tsing  
Joint Company Secretaries

4 April 2022  
Singapore

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

1. Mr Sin Boon Ann will, upon re-election as Director of the Company, remain as an Independent Chairman of the Company, Chairman of the Remuneration Committee and a member of the Nominating Committee and the Audit and Risk Committee respectively. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. The detailed information on Mr Sin as recommended under the Code of Corporate Governance and as required under Rule 720(5) of Catalist Rules can be found under the section entitled "Board of Directors" on pages 10 to 13 and table entitled "Additional Information on Directors Seeking Re-election" on pages 53 to 61 of the Annual Report 2021.
2. Mr Abram Melkyzedek Suhardiman will, upon re-election as Director of the Company, remain as an Executive Director and Deputy Chief Executive Officer of the Company. The detailed information on Mr Suhardiman as recommended under the Code of Corporate Governance and as required under Rule 720(5) of Catalist Rules can be found under the section entitled "Board of Directors" on pages 10 to 13 and table entitled "Additional Information on Directors Seeking Re-election" on pages 53 to 61 of the Annual Report 2021.
3. Under the Catalist Rules of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and/or convertible securities of the issuer of up to one hundred per cent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the time of passing of the resolution approving the Share Issue Mandate, of which the aggregate number of new shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders must be not more than fifty per cent (50%) of the total issued Shares of the issuer (excluding treasury shares and subsidiary holdings, if any).

The Directors are of the opinion that the Share Issue Mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund-raising exercises or other arrangements or transactions involving the capital of the Company.

The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of the AGM until the date of the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to allot and issue shares and/or convertible securities in the capital of the Company. The aggregate number of shares and convertible securities which the Directors may allot and issue under this resolution, shall not exceed one hundred per cent (100%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings, if any) of which the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders shall not exceed fifty per cent (50%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing of this resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## **IMPORTANT NOTICE TO SHAREHOLDERS IN RELATION TO THE CONDUCT AND PROCEEDINGS OF THE COMPANY'S AGM ON 27 APRIL 2022 AT 2:00 P.M.**

The AGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able to attend the AGM in person.

Printed copies of this Notice of AGM will not be sent to Shareholders, instead, this Notice of AGM will be sent to Shareholders by way of electronic means via publication on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.healthwaymedical.com/investor-relations/announcements/>

Alternative arrangements have been put in place to allow Shareholders to participate at the AGM by:

- (a) observing and/or listening to the AGM proceedings via the live audio-visual webcast and live audio-only stream (Live Webcast);
- (b) submitting questions relating to the resolutions to be tabled at the AGM, to the Chairman of the AGM in advance of the AGM;
- (c) submitting text-based questions during the Live Webcast of the AGM by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box; and
- (d) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

### **Participation in AGM proceedings via Live Webcast**

1. A Shareholder of the Company (including CPF/SRS investors) or their corporate representatives (in the case of a Shareholder which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a Live Webcast via mobile phone, tablet or computer. In order to do so, the Shareholder may pre-register from **9:00 a.m. on 4 April 2022 (Monday)** and must pre-register by **2:00 p.m. on 24 April 2022 (Sunday)** (being not less than seventy-two (72) hours before the time fixed for the AGM) ("**Registration Deadline**"), at the following URL: [https://conveneagm.sg/hmc\\_agm2022](https://conveneagm.sg/hmc_agm2022) (the "**HMC AGM Website**"), to create an account and to enable the Company to verify the Shareholders' status. Persons who hold shares through Relevant Intermediaries who wish to participate in the AGM by observing and/or listening to the AGM proceedings via "live" audio-and-visual website or "live" audio-only stream should approach his/her/its Relevant Intermediaries.
2. Following authentication of his/her/its status as a Shareholder of the Company, such Shareholder will receive an email on their authentication status and will be able to access the Live Webcast/listening to the proceedings of the AGM via Audio Only Means using the account created.
3. Shareholders who have pre-registered by the Registration Deadline but do not receive the aforementioned email by **12:00 noon on 26 April 2022 (Tuesday)** should contact the Company at the following email address: [hmcagm2022@healthwaymedical.com](mailto:hmcagm2022@healthwaymedical.com) with the following details included: (a) the Shareholder's full name; and (b) his/her/its identification/registration number.
4. Shareholders who are attending the AGM via Live Webcast are reminded that the AGM is private. Invitations to attend the AGM Live Webcast shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorised and/or authenticated to attend the AGM Live Webcast. Recording of the AGM Live Webcast in whatsoever form by the Shareholders is also strictly prohibited.
5. The Company asks for Shareholders' indulgence during the Live Webcast and Audio Only Means in the event of any technical disruptions. Shareholders may go to "Contact Support" at the bottom of the following URL: [https://conveneagm.sg/hmc\\_agm2022](https://conveneagm.sg/hmc_agm2022) (the "**HMC AGM Website**"), in the event if there is any technical issue for login pre-AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## Submission of questions

6. Shareholders of the Company (including CPF and SRS investors) attending the AGM via the Live Webcast will be able to ask questions during the AGM by clicking the “Ask a Question” feature and then clicking “Type Your Question” to input their queries in the questions text box.
7. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than **5:00 p.m. on 12 April 2022 (Tuesday)**:
  - (a) via the HMC AGM Website; or
  - (b) in physical copy by depositing the same at the Company’s Share Registrar’s office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (c) by email to **AGM.TeamE@boardroomlimited.com**.
8. Shareholders who submit questions via email or by post to the Company must provide the following information:
  - (i) the Shareholder’s full name;
  - (ii) the Shareholder’s identification number (ie NRIC/Passport Nos./Company Registration Nos.);
  - (iii) the Shareholder’s address; and
  - (iv) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

Any question without these identification details will not be entertained.
9. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit questions by post, Shareholders are strongly encouraged to submit their questions electronically via email.**
10. The Company will endeavour to address the substantial and relevant questions received from Shareholders in advance of the AGM by publishing its responses on SGXNet and the Company’s website at <https://www.healthwaymedical.com/investorrelations/announcements/>, **on 21 April 2022 (Thursday) after trading hours.**
11. The Company’s responses to other questions addressed during the Live Webcast of the AGM, or follow-up questions on substantial and relevant matters received prior to the AGM will be published on SGXNet and the Company’s corporate website at <https://www.healthwaymedical.com/investorrelations/announcements/>, together with the minutes of the AGM within one (1) month after the date of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## **Voting by Proxy to Chairman of AGM Only**

12. If a Shareholder of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
13. The Chairman of the Meeting, as proxy, need not be a Shareholder of the Company.
14. The Proxy Form must be submitted through any one of the following means:
  - (a) by depositing a physical copy at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) by sending a copy of the completed and executed Proxy Form via email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com), in each case, **no later than 2:00 p.m. on 25 April 2022 (Monday)** (being not less than forty-eight (48) hours before the time fixed for the AGM).

## **To minimise physical interactions and COVID-19 transmission risks, Shareholders of the Company are strongly encouraged to submit completed proxy forms electronically via email.**

15. In the case of submission of the Proxy Form, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
16. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
17. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
18. In the case of a Shareholder of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## Persons who hold shares through Relevant Intermediaries\*

19. (a) Persons holding shares in the Company through Central Provident Fund (“**CPF**”) and Supplementary Retirement Scheme (“**SRS**”) (“**CPF/SRS Investors**”) who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit his/her/its vote by **5:00 p.m. on 18 April 2022 (Monday), being seven (7) working days before the date of the AGM.**
- (b) Persons holding shares through relevant intermediaries (other than CPF/SRS Investors) appointing the Chairman as proxy who wish to participate in the AGM by:
- (i) observing and/or listening to the AGM proceeding via Live Webcast or Audio Only Means;
  - (ii) submitting questions in advance of the AGM or during the AGM via the Live Webcast; and/or
  - (iii) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, respectively,

should approach his/her/its Relevant Intermediary\* through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## Documents for the AGM

20. Documents relating to the business of the AGM, which comprise the Company’s annual report for the financial year ended 31 December 2021, as well as the Notice of AGM and the Proxy Form for the AGM (“**Documents**”), have been published on SGXNet and the Company’s corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/> on 4 April 2022. Printed copies of the Documents will **NOT** be sent to Shareholders. The Company also seeks Shareholders’ understanding and cooperation to adhere to the measures taken by the Company in light of the COVID-19 situation. Shareholders are advised to check on the Company’s announcement(s) on SGXNet or the Company’s corporate website for any changes or updates on this AGM, should there be any further measures recommended by the relevant authorities.

# NOTICE OF **ANNUAL GENERAL MEETING**

Key dates/deadlines	
Key dates	Actions
<b>9:00 a.m. on 4 April 2022 (Monday)</b>	<ul style="list-style-type: none"> <li>Shareholders may begin to pre-register at HMC AGM Website for Live Webcast/Audio Only Means of the AGM proceeding.</li> <li>Shareholders may begin to submit questions at HMC AGM Website.</li> </ul>
<b>5:00 p.m. on 12 April 2022 (Tuesday)</b>	<ul style="list-style-type: none"> <li>Deadline for Shareholders to submit questions.</li> </ul>
<b>5:00 p.m. on 18 April 2022 (Monday)</b>	<ul style="list-style-type: none"> <li>Deadline for CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.</li> </ul>
<b>21 April 2022 (Thursday)</b>	<ul style="list-style-type: none"> <li>Company's responses on Shareholders' questions and/or answers to frequently asked questions made available to Shareholders on HMC AGM Website and on the SGXNet after trading hours.</li> </ul>
<b>2:00 p.m. on 24 April 2022 (Sunday)</b>	<ul style="list-style-type: none"> <li>Deadline for Shareholders to pre-register for Live Webcast/Audio Only Means of the AGM proceeding.</li> </ul>
<b>2:00 p.m. on 25 April 2022 (Monday)</b>	<ul style="list-style-type: none"> <li>Deadline for Shareholders to submit proxy forms appointing the Chairman of the AGM as proxy in respect of the resolutions tabled for approval at the AGM.</li> </ul>
<b>12:00 noon on 26 April 2022 (Tuesday)</b>	<ul style="list-style-type: none"> <li>Authenticated Shareholders will receive an email which will contain instructions as well as the link to access the Live Webcast/Audio Only Means of the AGM proceeding (Collectively, the "<b>Confirmation Email</b>").</li> <li>Shareholders who do not receive the Confirmation Email by <b>12:00 noon on 26 April 2022 (Tuesday)</b>, but have registered by the 24 April 2022 (Sunday) deadline should contact the Company at the following email address: <a href="mailto:hmcagm2022@healthwaymedical.com">hmcagm2022@healthwaymedical.com</a>, with the following details included: <ul style="list-style-type: none"> <li>(a) the Shareholder's full name; and</li> <li>(b) his/her/its identification/registration number.</li> </ul> </li> </ul>
<b>Date and time of AGM - 2:00 p.m. on 27 April 2022 (Wednesday)</b>	<ul style="list-style-type: none"> <li>Click on the link in the Confirmation Email and follow the instructions to access the Live Webcast/Audio Only Means of the AGM proceeding.</li> </ul> <p>Shareholders may go to "Contact Support" at the bottom of the HMC AGM Website, in the event if there is any technical issue for login pre-AGM or during AGM.</p>

# NOTICE OF **ANNUAL GENERAL MEETING**

**Personal data privacy:**

By pre-registering for the Live Webcast/Audio Only Means, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as a proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the Live Webcast or Audio Only Means to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Shareholders received before the Meeting and if necessary, following up with the relevant Shareholders in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a Shareholder of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

# HEALTHWAY MEDICAL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200708625C)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company's annual report for the financial year ended 31 December 2021 as well as the Notice of AGM and the Proxy Form ("Documents") for the AGM have been published on SGXNet and the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/>. Printed copies of the Documents will **NOT** be sent to members of the Company ("Shareholder").
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via Live Webcast or Audio Only Means), submission of questions in advance of the AGM, addressing of substantial queries and relevant comments, prior to, or at, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM.
3. To minimise physical interactions and COVID-19 transmission risks, a Shareholder will **NOT** be able to attend the AGM in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM.
4. Please read the notes overleaf which contain instruction on, inter alia, the appointment of the Chairman of the AGM as a Shareholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We, \_\_\_\_\_ (Name), NRIC/Passport No./Co. Reg. No. \_\_\_\_\_

Of \_\_\_\_\_ (Address)

being a \*Shareholder/Shareholders of Healthway Medical Corporation Limited (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as \*my/our proxy to attend and to vote for \*me/us on \*my/our behalf at the AGM of the Company to be held **by way of electronic means (via live webcast and audio only means) on Wednesday, 27 April 2022 at 2:00 p.m.** and at any adjournment thereof. \*I/We direct \*my/our proxy to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as \*my/our proxy will be treated as invalid.

No.	Resolutions Relating to:	For**	Against**	Abstain**
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement and Audited Financial Statements and Independent Auditor's Report for the financial year ended 31 December 2021			
2.	Re-election of Mr Sin Boon Ann as a Director of the Company			
3.	Re-election of Mr Abram Melkyzedeck Suhardiman as a Director of the Company			
4.	Approval of payment of Directors' fees of S\$192,500 for the financial year ended 31 December 2021			
5.	Re-appointment of Messrs Ernst & Young LLP as Independent Auditor and to authorize the Directors of the Company to fix their remuneration			
<b>Special Business</b>				
6.	Authority to allot and issue shares pursuant to the Share Issue Mandate			

\* Delete accordingly

\*\* If you wish to exercise all your votes "**For**" or "**Against**", please indicate with a tick (✓) in the "**For**" or "**Against**" box. Alternatively, please indicate the number of votes "**For**" or "**Against**" as appropriate in each resolution. If you wish to "**Abstain**" from voting on a resolution, please indicate with a tick (✓) in the "**Abstain**" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

	Total Number of Shares in:
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:-**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman as proxy shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, a Shareholder of the Company will **NOT** be able to attend the Meeting in person. A Shareholder of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such Shareholder wishes to exercise his/her/its voting rights at the Meeting. This proxy form has been made available on SGXNet and the Company's corporate website at <https://www.healthwaymedical.com/investor-relations/announcements/>. Printed copy of this proxy form will **NOT** be despatched to Shareholders.
3. The Chairman of the Meeting, as proxy, need not be a Shareholder of the Company.
4. This duly executed proxy form, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be sent by email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) or posted to the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 **by 2.00 p.m. on 25 April 2022 (Monday)** (being not less than forty-eight (48) hours before the time appointed for holding the Meeting). To minimise physical interactions and COVID-19 transmission risks, Shareholders of the Company are strongly encouraged to submit completed proxy forms electronically via email.
5. A member of the Company who holds his/her/its shares through a Relevant Intermediary\* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions **at least seven (7) working days prior to the date of the AGM (ie. by 5:00 p.m. on 18 April 2022 (Monday))**.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. This proxy form must be under the hand of the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as a proxy. In addition, in the case of Shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as a proxy lodged if such Shareholders are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the Meeting and vote thereat unless his/her/its name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the Meeting.
10. CPF or SRS investors who wish to appoint Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by **5:00 p.m. on 18 April 2022 (Monday)**.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, a Shareholder of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2022.





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