

Company Registration No. 200708625C

Healthway Medical Corporation Limited
and its Subsidiaries

Annual Financial Statements
31 December 2024



Healthway Medical Corporation Limited and its Subsidiaries

General information

Directors

Sin Boon Ann (Chairman)
 Abram Melkyzedeck Suhardiman (Vice Chairman)
 Anand Kumar
 Lee Mei Mei, Michelle
 Yet Kum Meng

Company Secretaries

Chen Chuanjian, Jason
 Chew Pei Tsing

Registered Office

6 Shenton Way
 #10-09 OUE Downtown 2
 Singapore 068809

Bankers

DBS Bank Limited
 United Overseas Bank Limited
 Standard Chartered Bank
 The Hongkong and Shanghai Banking Corporation Limited

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
 1 Harbourfront Avenue
 #14-07 Keppel Bay Tower
 Singapore 098632

Auditor

Ernst & Young LLP
 One Raffles Quay
 North Tower, Level 18
 Singapore 048583
 Audit Partner in charge: Philip Ng Weng Kwai (since financial year ended 31 December 2020)

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Healthway Medical Corporation Limited and its Subsidiaries

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 2024.

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 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Sin Boon Ann
Abram Melkyzedeck Suhardiman
Anand Kumar
Lee Mei Mei, Michelle
Yet Kum Meng

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' interests in shares or debentures

The following director, 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:

Healthway Medical Corporation Limited and its Subsidiaries**Directors' statement**

Directors' interests in shares or debentures (continued)

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Healthway Medical Corporation Limited				
Ordinary shares				
Abram Melkyzedeck Suhardiman	68,918,900	68,918,900	—	—
Union Smile Pte. Ltd.				
Ordinary shares				
Abram Melkyzedeck Suhardiman	—	—	152,000 ⁽¹⁾	152,000 ⁽¹⁾
PT Kreasi Unggul Investama				
Ordinary shares				
Abram Melkyzedeck Suhardiman	—	—	2,100,000 ⁽¹⁾	2,100,000 ⁽¹⁾
PT Karunia Senyum Sejahtera				
Ordinary shares				
Abram Melkyzedeck Suhardiman	—	—	2,100,000 ⁽¹⁾	2,100,000 ⁽¹⁾
PT Karya Senyum Nusantara				
Ordinary shares				
Abram Melkyzedeck Suhardiman	—	—	30,000 ⁽¹⁾	30,000 ⁽¹⁾

⁽¹⁾ Deemed interested in the shares held by the members of the director's family

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or 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), Abram Melkyzedeck Suhardiman and Anand Kumar, is responsible for administering the Performance Share Plan.

Healthway Medical Corporation Limited and its Subsidiaries

Directors' statement

Options and performance shares (continued)

Performance Share Plan

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

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

There were no performance shares granted to employees, directors and controlling shareholders (or their associates) and key executives of the Company during 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. There are no outstanding performance shares as at 31 December 2024.

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.

Independent Auditor

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

On behalf of the Board of Directors:



Sin Boon Ann
Director



Abram Melkyzedeck Suhardiman
Director

Singapore
4 June 2025

Healthway Medical Corporation Limited and its Subsidiaries

Independent auditor's report

For the financial year ended 31 December 2024

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 2024, 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 material accounting policy information.

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 2024 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.

Other information

Management is responsible for other information. The other information comprises the information included in the Directors' statement, 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.

Healthway Medical Corporation Limited and its Subsidiaries

Independent auditor's report

For the financial year ended 31 December 2024

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

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.
- 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.

Healthway Medical Corporation Limited and its Subsidiaries

Independent auditor's report

For the financial year ended 31 December 2024

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

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

- 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

4 June 2025

Healthway Medical Corporation Limited and its Subsidiaries**Consolidated statement of comprehensive income
For the financial year ended 31 December 2024**

	Note	2024 \$'000	2023 \$'000
Revenue	4	178,993	168,496
Other income	5	6,324	2,641
Expenses by nature			
- Medical supplies, consumables and laboratory expenses		(33,677)	(28,308)
- Staff costs	6	(111,876)	(104,505)
- Depreciation of property, plant and equipment	13	(18,982)	(16,259)
- Amortisation of intangible assets	14(b)	(85)	(64)
- Rental expenses		(178)	(49)
- Provision for impairment loss on trade and other receivables – net	10	(743)	(562)
- Finance expenses	7	(1,821)	(1,947)
- Other expenses		(16,516)	(14,622)
Total expenses		(183,878)	(166,316)
Share of loss of an associate	12(b)	(140)	(224)
Profit before income tax		1,299	4,597
Income tax expense	8(a)	(91)	(900)
Total profit for the year		1,208	3,697
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
- Currency translation differences arising from consolidation – net		94	1
Other comprehensive income for the year, net of tax		94	1
Total comprehensive income for the year		1,302	3,698
Total profit for the year attributable to:			
Equity holders of the Company		(215)	3,247
Non-controlling interests		1,423	450
		1,208	3,697
Total comprehensive income for the year attributable to:			
Equity holders of the Company		(164)	3,248
Non-controlling interests		1,466	450
		1,302	3,698

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

Healthway Medical Corporation Limited and its Subsidiaries

Balance sheets – Group and Company As at 31 December 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	9	19,470	19,515	9,624	11,007
Trade and other receivables	10	27,445	27,665	76	72
Inventories	11	6,864	7,541	–	–
		53,779	54,721	9,700	11,079
Non-current assets					
Trade and other receivables	10	2,247	2,367	174	174
Investments in subsidiaries	12(a)	–	–	228,901	228,466
Investment in an associate	12(b)	766	906	2,108	2,108
Property, plant and equipment	13	54,629	53,534	1,346	2,116
Intangible assets	14	171,438	172,043	185	208
Derivative assets	15	1,636	1,116	–	–
Deferred income tax assets	20	3,456	1,880	–	46
		234,172	231,846	232,714	233,118
Total assets		287,951	286,567	242,414	244,197
LIABILITIES					
Current liabilities					
Trade and other payables	16	30,705	31,802	970	1,984
Current income tax liabilities	8(c)	514	1,081	–	–
Borrowings	17	1,779	–	–	–
Lease liabilities	18	11,823	12,038	759	711
		44,821	44,921	1,729	2,695
Non-current liabilities					
Trade and other payables	16	7,309	8,655	–	–
Lease liabilities	18	24,192	22,625	459	1,218
Provisions	19	2,427	2,393	105	105
Deferred income tax liabilities	20	920	913	13	–
		34,848	34,586	577	1,323
Total liabilities		79,669	79,507	2,306	4,018
NET ASSETS		208,282	207,060	240,108	240,179
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	277,630	277,630	277,630	277,630
Other reserves	21	(4,006)	(4,057)	67	67
Accumulated losses		(70,526)	(70,287)	(37,589)	(37,518)
		203,098	203,286	240,108	240,179
Non-controlling interests		5,184	3,774	–	–
Total equity		208,282	207,060	240,108	240,179

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

Healthway Medical Corporation Limited and its Subsidiaries**Consolidated statement of changes in equity
For the financial year ended 31 December 2024**

	Share capital (Note 21) \$'000	Currency translation reserve (Note 21) \$'000	Capital reserve (Note 21) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non- controlling interests \$'000	Total equity \$'000
2024							
Balance at 1 January 2024	277,630	(1)	(4,056)	(70,287)	203,286	3,774	207,060
Profit for the year	—	—	—	(215)	(215)	1,423	1,208
<u>Other comprehensive income</u>							
Foreign currency translation differences	—	51	—	—	51	43	94
Total comprehensive income for the year	—	51	—	(215)	(164)	1,466	1,302
<u>Contributions by and distributions to owners</u>							
Dividends paid to non-controlling interests	—	—	—	—	—	(865)	(865)
Dilution of interest in subsidiary with no change in control	—	—	—	(24)	(24)	74	50
Acquisition of subsidiaries	—	—	—	—	—	735	735
Total contributions by and distributions to owners	—	—	—	(24)	(24)	(56)	(80)
Balance at 31 December 2024	277,630	50	(4,056)	(70,526)	203,098	5,184	208,282

Healthway Medical Corporation Limited and its Subsidiaries**Consolidated statement of changes in equity
For the financial year ended 31 December 2024**

	Share capital (Note 21) \$'000	Currency translation reserve (Note 21) \$'000	Capital reserve (Note 21) \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non- controlling interests \$'000	Total equity \$'000
2023							
Balance at 1 January 2023	277,630	(2)	(4,056)	(73,613)	199,959	1,356	201,315
Profit for the year	–	–	–	3,247	3,247	450	3,697
<u>Other comprehensive income</u>							
Foreign currency translation differences	–	1	–	–	1	–	1
Total comprehensive income for the year	–	1	–	3,247	3,248	450	3,698
<u>Contributions by and distributions to owners</u>							
Dividends paid to non-controlling interests	–	–	–	–	–	(60)	(60)
Acquisition of subsidiaries	–	–	–	–	–	2,107	2,107
Acquisition of interest in subsidiary without a change in control	–	–	–	79	79	(79)	–
Total contributions by and distributions to owners	–	–	–	79	79	1,968	2,047
Balance at 31 December 2023	277,630	(1)	(4,056)	(70,287)	203,286	3,774	207,060

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

Healthway Medical Corporation Limited and its Subsidiaries**Consolidated statement of cash flows**
For the financial year ended 31 December 2024

		Group	
	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit before income tax		1,299	4,597
Adjustments for:			
- Depreciation of property, plant and equipment	13	18,982	16,259
- Amortisation of intangible assets	14(b)	85	64
- Loss/(gain) on disposal of property, plant and equipment		170	(12)
- Property, plant and equipment written off		–	8
- Fair value gain on derivative assets	15	(520)	(152)
- Provision for impairment loss on trade and other receivables – net	10	743	562
- Gain on remeasurement of other payables to non-controlling interest	5	(2,230)	–
- Employee expense on share awards issued to non-controlling interest		50	–
- Finance expenses	7	1,821	1,947
- Interest income		(229)	(767)
- Share of loss of an associate	12(b)	140	224
- Unrealised currency translation differences – net		243	1
Operating cash inflows before changes in working capital		20,554	22,731
Changes in working capital:			
- Inventories		677	(1,686)
- Trade and other receivables		(403)	(2,556)
- Trade and other payables		1,963	(551)
- Provisions		(33)	–
Cash flows generated from operations		22,758	17,938
Income tax paid	8(c)	(727)	(2,685)
Net cash flows generated from operating activities		22,031	15,253
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,904)	(7,466)
Purchase of intangible assets		(58)	(59)
Acquisition of clinics	24	(459)	(2,422)
Acquisition of subsidiaries, net of cash acquired	24	(187)	(12,069)
Proceeds on disposal of property, plant and equipment		–	10
Interest received		229	767
Net cash flows used in investing activities		(5,379)	(21,239)
Cash flows from financing activities			
Withdrawal/(pledge) of bank deposits		397	(70)
Dividends paid to non-controlling interests		(865)	(60)
Loans from non-controlling interests		62	200
Repayment of other secured borrowings		–	(513)
Principal payment of lease liabilities		(14,073)	(11,629)
Interest paid		(1,821)	(1,632)
Net cash flows used in financing activities		(16,300)	(13,704)

Healthway Medical Corporation Limited and its Subsidiaries

Consolidated statement of cash flows (continued) For the financial year ended 31 December 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Net increase/(decrease) in cash and cash equivalents		352	(19,690)
Cash and cash equivalents at the beginning of financial year		18,727	38,417
Cash and cash equivalents at the end of financial year	9	<u>19,079</u>	<u>18,727</u>

Reconciliation of liabilities arising from financing activities

	1 January 2024 \$'000	Acquisition of subsidiaries (Note 24) \$'000	Cash flows \$'000	Non-cash changes			31 December 2024 \$'000
				Addition \$'000	Interest expenses \$'000	Disposal \$'000	
Unsecured borrowings	–	–	–	1,779	–	–	1,779
Lease liabilities	34,663	–	(15,869)	15,425	1,796	–	36,015
Loans from non-controlling interests	484	–	40	–	22	–	546

	1 January 2023 \$'000	Acquisition of subsidiaries (Note 24) \$'000	Cash flows \$'000	Non-cash changes			31 December 2023 \$'000
				Addition \$'000	Interest expenses \$'000	Disposal \$'000	
Other secured borrowings	513	–	(524)	–	11	–	–
Lease liabilities	21,609	392	(13,229)	24,403	1,600	(112)	34,663
Loans from non-controlling interests	284	–	181	–	19	–	484

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

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 a public company limited by shares, incorporated and domiciled in Singapore. The Company was delisted from the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 November 2023. 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 12.

2. Material accounting policy information

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 2024. Except for the impact arising from the amendments to SFRS(I) 1-7 and SFRS(I) 7 as described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

The amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 16.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
SFRS(I) 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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

Except for the below, 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.

SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 is a new standard that replaces SFRS(I) 1-1 Presentation of Financial Statements. SFRS(I) 18 introduces new categories of subtotals in the statement of profit or loss. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherein the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively.

The amendments will have impact on the disclosure in the financial statements but not on the measurement or recognition of items in the Group's financial statements. The Group is in the process of analysing the new disclosure requirements and to assess if changes are required to their internal information systems.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective (continued)

SFRS(I) 19: Subsidiaries without Public Accountability: Disclosure

SFRS(I) 19 allows eligible entities to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other SFRS(I).

To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in SFRS(I) 10; does not have public accountability; and has an ultimate or intermediate parent that produces consolidated financial statements, available for public use, which comply with SFRS(I) Accounting Standards.

SFRS(I) 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The Group is currently working to identify the impact on the financial statements and the notes to the financial statements.

2.4 Revenue

(a) *Provision of medical services*

The Group operates clinics and provides medical services in two different business segments. 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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

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.

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 *Group accounting* (continued)

(a) *Subsidiaries* (continued)

(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.

(b) *Associate*

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

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

(i) *Acquisition*

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

(ii) *Equity method of accounting*

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 *Group accounting* (continued)

(b) *Associate* (continued)

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

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

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

(iii) *Disposals*

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

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

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

(b) Depreciation

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

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

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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 *Property, plant and equipment* (continued)

(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.

(c) *Computer software, including licences*

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

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

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 *Intangible assets* (continued)

(d) *Computer software in progress*

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

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

2.8 *Borrowing costs*

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

2.9 *Investments in subsidiaries and an associate*

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

2.10 *Impairment of non-financial assets*

(a) *Goodwill and acquired brand names*

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

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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.10 Impairment of non-financial assets (continued)

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

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

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

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

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

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

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

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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

2. Material accounting policy information (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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

2. Material accounting policy information (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.

The Group classifies financial liabilities that arise from supplier finance arrangements within "Trade and other payables" in the consolidated balance sheet if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in "Trade and other payables" in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows.

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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (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.

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.14 Leases (continued)

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.16 Taxes (continued)

(b) *Deferred income tax*

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

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

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

Deferred income tax is measured:

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

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

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

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.20 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.

2.21 Share capital

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

2.22 Dividends to Company's shareholders

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

2.23 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.

2.24 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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

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:

Use of indefinite useful lives assumption on acquired brand names

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

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

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

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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

3. Significant accounting estimates, assumptions and judgements (continued)

3.2 Key sources of estimation uncertainty (continued)

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

The key assumptions applied in the determination of the value-in-use including a sensitivity analysis, are disclosed and further explained in Note 14 to the financial statements.

The carrying amount of goodwill and brand names with indefinite useful lives as at 31 December 2024 is \$171,253,000 (2023: \$171,831,000).

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

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

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

The carrying amount of the Company's investments in subsidiaries as at 31 December 2024 is \$228,901,000 (2023: \$228,466,000).

(c) *Fair value of derivatives*

The Group carries its derivatives at fair value, with changes in fair value recognised in profit or loss. The Group engaged an independent valuation expert to assess the fair value using a valuation model. The key assumptions applied in the determination of the fair value are disclosed and further explained in Note 15 to the financial statements.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****4. Revenue**

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

	Group	
	2024	2023
	\$'000	\$'000
Medical services	178,993	168,496

Contract balances

	Group		
	31 December 2024	2023	1 January 2023
	\$'000	\$'000	\$'000
Trade receivables (Note 10)	23,564	24,550	22,106
Deferred income (Note 16)	811	638	793

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

Revenue recognised in relation to deferred income:

	Group	
	2024	2023
	\$'000	\$'000
Revenue recognised in current period that was included in deferred income at the beginning of the period		
- Medical services	307	488

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****5. Other income**

	Group	
	2024	2023
	\$'000	\$'000
Interest income	227	763
Government grant income	2,490	1,105
Finance income on net investment in the sublease (Note 10)	2	4
Rental income	273	268
Fair value gain on derivative assets (Note 15)	520	152
Gain on remeasurement of other payables to non-controlling interest	2,230	—
Others	582	349
	6,324	2,641

6. Staff costs

	Group	
	2024	2023
	\$'000	\$'000
Wages and salaries	105,998	99,030
Employer's contribution to defined contribution plans including Central Provident Fund	5,878	5,475
	111,876	104,505

7. Finance expenses

	Group	
	2024	2023
	\$'000	\$'000
Interest expenses:		
- Other secured borrowings	—	11
- Lease liabilities	1,796	1,600
- Interest expense on other payables to non-controlling interests	—	276
- Discounting of non-current deposits	—	39
- Others	25	21
	1,821	1,947

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

8. Income taxes

(a) *Income tax expense*

	Group	
	2024	2023
	\$'000	\$'000
<i>Current income tax</i>		
- Current income tax charge	457	836
- (Over)/under provision in respect of prior years	(297)	144
	160	980
<i>Deferred income tax</i>		
- Origination and reversal of temporary differences (Note 20)	(69)	(80)
	91	900

(b) *Relationship between tax expense and accounting profit*

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

	Group	
	2024	2023
	\$'000	\$'000
Profit before income tax	1,299	4,597
Tax calculated at tax rate of 17% (2023: 17%)	221	781
Effects of:		
- (Over)/under provision in respect of prior years	(297)	144
- expenses not deductible for tax purposes	200	358
- income not subject to tax	(498)	(14)
- utilisation of tax losses and temporary differences previously not recognised	(549)	(294)
- income tax relief	(106)	(108)
- recognition of tax losses and temporary differences previously not recognised	(121)	(318)
- deferred tax assets not recognised	1,241	351
Income tax expense	91	900

(c) *Movement in current income tax liabilities*

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,081	2,639	—	90
Acquisition of subsidiaries (Note 24)	—	147	—	—
Income tax (paid)/refunded	(727)	(2,685)	2	(62)
Current income tax charge	160	980	(2)	(28)
End of financial year	514	1,081	—	—

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements**
For the financial year ended 31 December 2024**9. Cash and bank balances**

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	18,410	15,006	9,624	8,458
Short-term bank deposits	1,060	4,509	–	2,549
	19,470	19,515	9,624	11,007

The bank deposits of the Group include \$391,000 (2023: \$788,000) pledged as security for a certain banker's guarantee.

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

	Group	
	2024	2023
	\$'000	\$'000
Cash and bank balances (as above)	19,470	19,515
Less: Bank deposits pledged as security	(391)	(788)
Cash and cash equivalents per consolidated statement of cash flows	19,079	18,727

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****10. Trade and other receivables**

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	26,997	28,069	—	—
Less: Allowance for impairment loss	(3,433)	(3,519)	—	—
Net trade receivables	23,564	24,550	—	—
Other receivables from:				
- related parties	29	104	—	—
- non-related parties	1,293	463	—	6
	1,322	567	—	6
Finance lease receivables	14	42	—	—
Deposits	1,905	1,678	4	8
Prepayments	640	828	72	58
	27,445	27,665	76	72
Non-current				
Finance lease receivables	—	14	—	—
Deposits	2,247	2,353	174	174
	2,247	2,367	174	174

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

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

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

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	3,519	3,218	—	—
Acquisition of subsidiaries (Note 24(c))	—	8	—	—
Provision for impairment loss	743	562	—	—
Utilised	(829)	(269)	—	—
End of financial year	3,433	3,519	—	—

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****10. Trade and other receivables (continued)***(a) Finance lease receivables*

Finance lease receivables relate to subleases which were classified as finance lease, as disclosed in Note 13. Finance income on the net investment in sublease during the financial year is \$2,000 (2023: \$4,000).

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% (2023: 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Less than one year	14	44	—	—
Between one to two years	—	14	—	—
	14	58	—	—
Less: Unearned finance income	—	(2)	—	—
Net investment in finance leases	14	56	—	—
Current	14	42	—	—
Non-current	—	14	—	—
	14	56	—	—

11. Inventories

	Group	
	2024	2023
	\$'000	\$'000
<u>At cost</u>		
Pharmacy, medical and surgical supplies	6,864	7,541

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****12. Investments in subsidiaries and an associate***(a) Investment in subsidiaries*

	Company	
	2024	2023
	\$'000	\$'000
Equity investments at cost	37,353	37,353
Amounts due from subsidiaries (non-trade)	235,608	235,173
Less: Allowance for impairment loss	(44,060)	(44,060)
	228,901	228,466

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.

The Company carried out a review of the recoverable amounts of its investment in subsidiaries. As at 31 December 2023, due to improved performance of one of the subsidiaries, the recoverable amount of the subsidiary exceeded the carrying amount. The recoverable amount of the subsidiary was determined to be \$124,100,000 as at 31 December 2023 and the Company recorded a reversal of impairment loss amounting to \$3,700,000. The recoverable amount has been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. As at 31 December 2024, there was no reversal of impairment loss required.

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

- The compound annual revenue growth rate for each CGU included in the cash flow projections ranged between 2.0% to 4.5% (2023: 2.0% to 4.5%) per annum for years 2025 to 2029.
- The pre-tax discount rate for each CGU included in the cash flow projections was approximately 8.7% to 9.8% (2023: 9.7% to 9.8%).
- The anticipated terminal growth rate for each CGU was approximately 1.7% (2023: 1.7%).

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****12. Investments in subsidiaries and an associate (continued)***(a) Investment in subsidiaries (continued)*

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

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2024 %	2023 %
<i>Held by the Company</i>				
Healthway Medical Group Pte Ltd	Practice of general medical practitioners	Singapore	100	100
Unimedic Pte. Ltd.	Investment holding	Singapore	100	100
Vista Medicare Pte. Ltd.	Provision of managed healthcare	Singapore	100	100
Healthway Investment SEA Pte. Ltd.	Investment holding	Singapore	100	100
<i>Held by Healthway Medical Group Pte Ltd</i>				
Healthway Medical Enterprises Pte Ltd	Provision of medical services and sale of drugs and medical supplies	Singapore	100	100
EBH Capital Pte. Ltd.	Investment holding	Singapore	51	51
The Clinic @ Tai Seng Pte. Ltd.	Practice of general medical practitioners	Singapore	20.8	20.8
The Clinic @ Campus Pte. Ltd.	Practice of general medical practitioners	Singapore	20.8	20.8
Lily Aw Medical Services Pte Ltd	Practice of general medical practitioners	Singapore	100	100
HSC Health Pte. Ltd.	Provision of day surgical services	Singapore	100	100

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****12. Investments in subsidiaries and an associate (continued)***(a) Investment in subsidiaries (continued)*

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			2024 %	2023 %
<i>Held by Unimedic Pte. Ltd.</i>				
Island Orthopaedic Consultants Pte Ltd	Provision of orthopaedic services and operation of medical clinics	Singapore	100	100
SBCC Clinic Pte Ltd	Provision of paediatric services and operation of medical clinics	Singapore	100	100
Silver Cross Healthcare Pte Ltd	Practice of general medical practitioners	Singapore	100	100
Healthway Dental Pte. Ltd.	Practice of dental surgery and operation of dental clinics	Singapore	60	60
Straits Podiatry Pte. Ltd.	Provision of podiatry services	Singapore	52	52
Ten Surgery Group Pte. Ltd.	Provision of general surgery services	Singapore	70	70
Ascension Therapy Grp Pte. Ltd.	Investment holding	Singapore	50.1	50.1
Galen Health Pte. Ltd.	Development of software	Singapore	100	100
Urohealth Pte. Ltd.	Provision of medical and surgical treatments for urology conditions	Singapore	57.9	60
<i>Held by EBH Capital Pte. Ltd.</i>				
The Clinic @ Tai Seng Pte. Ltd.	Practice of general medical practitioners	Singapore	59.2	59.2
The Clinic @ Campus Pte. Ltd.	Practice of general medical practitioners	Singapore	59.2	59.2
The Clinic @ Aperia Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Business City Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Capitagreen Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Fusionopolis Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic @ Marina One Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic @ One George Street Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100
The Clinic@ HF Pte. Ltd.	Practice of general medical practitioners	Singapore	100	100

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

12. Investments in subsidiaries and an associate (continued)

(a) Investment in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of incorporation	Equity holding 2024 %	2023 %
<i>Held by SBCC Clinic Pte Ltd</i>				
SBCC Women’s Clinic Pte. Ltd.	Provision of gynaecology services and operation of medical clinics	Singapore	100	100
<i>Held by Ascension Therapy Grp Pte. Ltd.</i>				
Amazing Speech Therapy Pte. Ltd.	Provision of allied health services	Singapore	100	100
HeadStart for Life Pte. Ltd.	Provision of allied health services	Singapore	100	100
Telehope Speech Therapy Pte. Ltd.	Provision of allied health services	Singapore	50	50
Amazing Speech Therapy Sdn. Bhd.	Provision of allied health services	Malaysia	70	70
<i>Held by Healthway Investment SEA Pte. Ltd.</i>				
Union Smile Pte. Ltd.	Investment holding	Singapore	51	51
PT Karya Senyum Nusantara	Practice of dental surgery and operation of dental clinics	Indonesia	51	51
<i>Held by Union Smile Pte. Ltd.</i>				
PT Kreasi Unggul Investama	Investment holding	Indonesia	99.9	99.9
<i>Held by PT Kreasi Unggul Investama</i>				
PT Karunia Senyum Sejahtera	Practice of dental surgery and operation of dental clinics	Indonesia	99.9	99.9

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2024

12. Investments in subsidiaries and an associate (continued)

(a) Investment in subsidiaries (continued)

Dilution of interest in subsidiaries without a change in control

On 8 August 2024, Urohealth Pte Ltd, a subsidiary of the Company, issued new shares to its non-controlling party, diluting the Group's interest by 2.1% without the loss of control. The difference between the consideration and fair value is recognised directly in equity.

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

	\$'000
Fair value of new shares issued to non-controlling interest	50
Increase in equity attributable to non-controlling interest	24
	<hr/>
Increase in equity attributable to the owners of the Company	26
	<hr/>

Acquisition of interest in subsidiary without a change in control

On 19 September 2023, the Healthway Medical Group Pte Ltd acquired additional 51% equity interest in Lily Aw Medical Services Pte Ltd upon satisfaction of the conditions as set out in the Sale and Purchase Agreement (Note 24). Accordingly, the Group obtained 100% equity interest in Lily Aw Medical Services Pte Ltd and recorded an increase of \$79,000 in equity attributable to the owners of the Company.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

12. Investments in subsidiaries and an associate (continued)

(b) Investment in an associate

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Equity investments</i>				
Beginning of financial year	906	1,130	2,108	2,108
Share of loss of an associate	(140)	(224)	–	–
End of financial year	766	906	2,108	2,108

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

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2024	2023
			%	%
<i>Held by the Company</i>				
Mednefits Holdings Pte.Ltd.	Singapore	Investment holding	14.77	14.77

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 offers 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.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements**
For the financial year ended 31 December 2024**12. Investments in subsidiaries and an associate (continued)****(b) Investment in an associate (continued)**

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

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

Summarised balance sheet

	Unaudited	
	2024	2023
	\$'000	\$'000
Current assets	2,185	1,192
Current liabilities	(6,954)	(5,010)
Non-current assets	16	13

Summarised statement of comprehensive income

Revenue	11,101	7,537
Loss for the year	(948)	(1,517)
Total comprehensive income for the year	(948)	(1,517)

Reconciliation of summarised financial information

	Unaudited	
	2024	2023
	\$'000	\$'000
Net liabilities	(4,753)	(3,805)
Group's equity interest	14.77%	14.77%
Group's share of net liabilities	(702)	(562)
Goodwill	1,468	1,468
Carrying value	766	906

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

13. Property, plant and equipment

	Leasehold improvements \$'000	Medical equipment \$'000	Computers \$'000	Furniture, fittings and equipment \$'000	Signboards \$'000	Assets in progress \$'000	Right-of- use assets \$'000	Total \$'000
Group								
2024								
<i>Cost</i>								
Beginning of financial year	14,149	10,240	2,248	1,489	323	7,919	54,305	90,673
Additions	1,664	2,610	267	191	26	213	15,425	20,396
Disposals/write-off	(116)	(196)	(85)	—	—	—	(10,025)	(10,422)
Exchange differences	(57)	(78)	—	(7)	—	—	5	(137)
End of financial year	15,640	12,576	2,430	1,673	349	8,132	59,710	100,510
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	9,236	3,493	1,913	750	129	—	21,618	37,139
Depreciation charge	2,908	1,505	277	178	39	—	14,075	18,982
Disposals/write-off	(85)	(182)	(83)	—	—	—	(9,902)	(10,252)
Exchange differences	1	—	—	8	—	—	3	12
End of financial year	12,060	4,816	2,107	936	168	—	25,794	45,881
Net carrying amount								
End of financial year	3,580	7,760	323	737	181	8,132	33,916	54,629
2023								
<i>Cost</i>								
Beginning of financial year	11,943	6,371	2,082	1,267	268	—	35,973	57,904
Acquisition of subsidiaries (Note 24)	386	2,902	3	100	1	—	341	3,733
Additions	1,884	968	165	122	54	7,919	24,534	35,646
Disposals/write-off	(64)	(1)	(2)	—	—	—	(6,543)	(6,610)
End of financial year	14,149	10,240	2,248	1,489	323	7,919	54,305	90,673
<i>Accumulated depreciation and impairment losses</i>								
Beginning of financial year	6,560	2,923	1,645	579	93	—	15,572	27,372
Depreciation charge	2,724	570	269	171	36	—	12,489	16,259
Disposals/write-off	(48)	—	(1)	—	—	—	(6,443)	(6,492)
End of financial year	9,236	3,493	1,913	750	129	—	21,618	37,139
Net carrying amount								
End of financial year	4,913	6,747	335	739	194	7,919	32,687	53,534

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

13. Property, plant and equipment (continued)

Company	Leasehold improvements \$'000	Computer \$'000	Furniture, fittings and equipment \$'000	Right-of-use assets \$'000	Total \$'000
2024					
<i>Cost</i>					
Beginning of financial year	1,039	59	58	3,801	4,957
Additions	64	–	–	–	64
End of financial year	1,103	59	58	3,801	5,021
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	873	54	18	1,896	2,841
Depreciation charge	90	3	4	737	834
End of financial year	963	57	22	2,633	3,675
Net carrying amount					
End of financial year	140	2	36	1,168	1,346
2023					
<i>Cost</i>					
Beginning of financial year	832	55	17	1,590	2,494
Additions	207	4	41	2,211	2,463
End of financial year	1,039	59	58	3,801	4,957
<i>Accumulated depreciation and impairment losses</i>					
Beginning of financial year	799	47	12	1,173	2,031
Depreciation charge	74	7	6	723	810
End of financial year	873	54	18	1,896	2,841
Net carrying amount					
End of financial year	166	5	40	1,905	2,116

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 ended 31 December 2024 was \$273,000 (2023: \$268,000) (Note 5).

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements****For the financial year ended 31 December 2024****13. Property, plant and equipment (continued)*****Right-of-use ("ROU") assets (continued)******Subleases – classified as operating leases (continued)***

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

	Group	
	2024	2023
	\$'000	\$'000
Less than one year	235	257
One to two years	155	127
Two to three years	57	–
	447	384

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 10(a)).

14. Intangible assets

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Goodwill arising on consolidation (Note (a))	138,859	139,437	–	–
Brand names (Note (a))	32,394	32,394	–	–
Computer software, including licences (Note (b))	100	170	100	166
Computer software in progress (Note (c))	85	42	85	42
	171,438	172,043	185	208

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

14. Intangible assets (continued)

(a) Goodwill arising from consolidation and brand names

	Goodwill \$'000	Brand names \$'000	Total \$'000
Group			
2024			
<i>Cost</i>			
Beginning of financial year	224,236	32,394	256,630
Adjustments to provisional goodwill during measurement period (Note 24)	(578)	—	(578)
End of financial year	223,658	32,394	256,052
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	84,799	—	84,799
Net carrying amount			
End of financial year	138,859	32,394	171,253
2023			
<i>Cost</i>			
Beginning of financial year	212,363	32,394	244,757
Addition (Note 24)	16,530	—	16,530
Written off	(4,657)	—	(4,657)
End of financial year	224,236	32,394	256,630
<i>Accumulated impairment losses</i>			
Beginning and end of financial year	89,456	—	89,456
Written off	(4,657)	—	(4,657)
End of financial year	84,799	—	84,799
Net carrying amount			
End of financial year	139,437	32,394	171,831

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 cash generating units ("CGUs").

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements****For the financial year ended 31 December 2024****14. Intangible assets (continued)****(a) Goodwill arising from consolidation and brand names (continued)*****Impairment test for goodwill and brand names with indefinite useful lives***
(continued)

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

	Goodwill			
	Cost	Accumulated impairment losses	Brand names	Net carrying amount
	\$'000	\$'000	\$'000	\$'000
2024				
Service groups				
<i>Singapore</i>				
Family medicine	79,244	(4,500)	8,000	82,744
Dentistry	7,191	(7,191)	—	—
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Obstetrics and gynaecology	3,792	(1,904)	—	1,888
Nobel specialist	34,763	(6,000)	5,081	33,844
<i>Indonesia</i>				
Dentistry	2,711	—	—	2,711
	223,658	(84,799)	32,394	171,253
2023				
Service groups				
<i>Singapore</i>				
Family medicine	79,057	(4,500)	8,000	82,557
Dentistry	7,191	(7,191)	—	—
Paediatrics	60,761	(46,911)	9,656	23,506
Orthopaedics	35,196	(18,293)	9,657	26,560
Obstetrics and gynaecology	3,792	(1,904)	—	1,888
Nobel specialist	34,763	(6,000)	5,081	33,844
<i>Indonesia</i>				
Dentistry	3,476	—	—	3,476
	224,236	(84,799)	32,394	171,831

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 or Indonesia.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

14. Intangible assets (continued)

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

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

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

- The compound annual revenue growth rate for each CGU included in the cash flow projections ranged between 2.0% to 4.5% (2023: 2.0% to 4.5%) per annum for years 2025 to 2029.
- The pre-tax discount rate for each CGU included in the cash flow projections was approximately 8.7% to 9.8% (2023: 9.7% to 9.8%).
- The anticipated terminal growth rate for each CGU was approximately 1.7% (2023: 1.7%).

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 2024 (2023: \$Nil).

Sensitivity analysis

An unfavourable change by 10% (2023: 10%) of one of the key assumptions used in management's estimates, specifically the compound annual revenue growth rate, would have resulted in an impairment to goodwill and brand names of approximately \$1,316,000 (2023: \$Nil) for Paediatrics CGU. Based on the current estimates and assumptions, no impairment was required for the financial year ended 31 December 2024 (2023: \$Nil).

(b) Computer software, including licences

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial year	2,624	2,423	2,416	2,215
Additions	15	59	15	59
Reclassification	–	142	–	142
End of financial year	2,639	2,624	2,431	2,416
<i>Accumulated amortisation</i>				
Beginning of financial year	2,454	2,390	2,250	2,195
Amortisation for the year	85	64	81	55
End of financial year	2,539	2,454	2,331	2,250
<i>Net carrying amount</i>				
End of financial year	100	170	100	166

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

14. Intangible assets (continued)

(c) Computer software in progress

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial year	42	184	42	184
Addition	43	–	43	–
Reclassification	–	(142)	–	(142)
End of financial year	85	42	85	42
<i>Accumulated amortisation</i>				
Beginning and end of financial year	–	–	–	–
<i>Net carrying amount</i>				
End of financial year	85	42	85	42

15. Derivative assets

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	1,116	964
Fair value gain (Note 5)	520	152
End of financial year	1,636	1,116

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

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

The call options were accounted for as derivative assets in the financial statements. measured at fair value through profit or loss and are classified as Level 3 under the fair value hierarchy. See Note 26 for the valuation policies and procedures, as well as significant unobservable inputs used in the fair value measurement.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements****For the financial year ended 31 December 2024****16. Trade and other payables**

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables to:				
- non-related parties				
- under supplier finance arrangement	1,040	—	—	—
- not under supplier finance arrangement	11,558	12,921	24	13
Other payables to:				
- non-related parties	3,516	6,430	249	421
- related parties	125	135	—	3
	16,239	19,486	273	437
Deferred income	811	638	—	—
Accrued expenses	13,655	11,678	697	1,547
	30,705	31,802	970	1,984
Non-current				
Other payables to non-related parties	1,825	1,003	—	—
Other payables to related parties	1,950	1,950	—	—
Other payables to non-controlling interests	2,988	5,218	—	—
Loans from subsidiaries' non-controlling interests	546	484	—	—
	7,309	8,655	—	—

Trade payables are non-interest bearing and are generally on 30-90 days' terms, including those trade payables that are included in the Group's supplier finance arrangement.

The Group has established a supplier finance arrangement that is offered to one of the Group's key suppliers. The supplier under the supplier finance arrangement will receive payment on invoices sent to the Group from the Group's external finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payments to supplier on the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider within 120 days from the date of settlement by the finance provider with the supplier. The Group provides no security to the finance provider.

All trade payables subject to the supplier finance arrangement are included in "Trade and other payables" in the consolidated balance sheet and within the table above.

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2024

16. Trade and other payables (continued)

Included in other payables to related parties and non-related parties (current and non-current) are contingent consideration arising from the acquisition of subsidiaries in prior years and from the issuance of Class B non-voting ordinary shares in a subsidiary to certain doctors within the Group.

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

Loans from subsidiaries’ non-controlling interests are unsecured, bear interests at 2.75% to 5% (2023: 2.75% to 5%) per annum and repayable within two to four years (2023: two to three years).

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

17. Borrowings

	Group	
	2024	2023
	\$'000	\$'000
Current		
Unsecured borrowings	1,779	–

Unsecured borrowings relate to borrowings with an external bank under the supplier finance arrangement (Note 16), for which suppliers have already received payments from the bank. Interest rate on the borrowings is based on the bank’s cost of funds plus a margin of 1.6%. As the arrangement permits the Group to extend finance from the bank by paying them later than the Group would have paid its supplier, the Group considers that amounts payable to the bank should be presented as part of borrowings.

The Group did not enter into any supplier finance arrangement for the financial year ended 31 December 2023.

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were non-cash transfers from trade payable to borrowings of \$1,779,000 (2023: \$Nil) for the financial year ended 31 December 2024.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

18. Lease liabilities

Lease liabilities arise from the Group's leasing activities as a lessee of commercial and office premises, as disclosed in Note 13. 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Minimum lease payments due				
- Not later than one year (undiscounted)	13,361	13,509	799	783
- Between one and five years (undiscounted)	21,108	17,961	466	1,265
- More than five years (undiscounted)	6,345	8,500	–	–
	40,814	39,970	1,265	2,048
Less: Future finance charges	(4,799)	(5,307)	(47)	(119)
Present value of lease payments	36,015	34,663	1,218	1,929
Current	11,823	12,038	759	711
Non-current	24,192	22,625	459	1,218
Total lease liabilities	36,015	34,663	1,218	1,929

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

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not later than one year	11,823	12,038	759	711
Between one and five years	18,436	15,105	459	1,218
More than five years	5,756	7,520	–	–
Total	36,015	34,663	1,218	1,929

Lease expenses not capitalised in lease liabilities

	Group	
	2024	2023
	\$'000	\$'000
Lease expenses – short-term leases	167	40
Lease expenses – low value leases	11	10
	178	50

Total cash outflow for all the leases in 2024 was approximately \$16,047,000 (2023: \$13,279,000).

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

19. Provisions

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Provision for restoration costs	2,427	2,393	105	105

Movement in provision for restoration costs is as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	2,393	1,999	105	105
Additions	67	394	—	—
Provision utilised	(25)	—	—	—
Provision reversed	(8)	—	—	—
End of financial year	2,427	2,393	105	105

20. Deferred tax assets

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred income tax assets	3,456	1,880	—	46
Deferred income tax liabilities	(920)	(913)	(13)	—
Net deferred income taxes	2,536	967	(13)	46

Deferred income taxes relate to the following:

	At 1	Recognised	At 31	Acquisition	Recognised	At 31
Group	January	in profit	December	of	in profit	December
	2023	or loss	2023	subsidiaries	or loss	2024
	\$'000	\$'000	\$'000	(Note 24)	\$'000	\$'000
Unutilised tax losses	462	(144)	318	—	(197)	121
Provisions	1,294	80	1,374	—	130	1,504
Differences in depreciation for tax purposes	(132)	114	(18)	1,500	117	1,599
Brand names	(901)	—	(901)	—	—	(901)
Others	164	30	194	—	19	213
Net deferred income taxes	887	80	967	1,500	69	2,536

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****20. Deferred income taxes (continued)**

Company	At 1 January 2023 \$'000	Recognised in profit or loss \$'000	At 31 December 2023 \$'000	Recognised in profit or loss \$'000	At 31 December 2024 \$'000
Provisions	125	(36)	89	(68)	21
Differences in depreciation for tax purposes	(43)	(5)	(48)	5	(43)
Others	(3)	8	5	4	9
Net deferred income taxes	79	(33)	46	(59)	(13)

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 approximately \$56,488,000 (2023: \$54,457,000) 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.

21. Share capital and other reserves

	Group and Company	
	No. of ordinary shares Issued share capital '000	Amount Share capital \$'000
2024		
Beginning and end of financial year	4,535,571	277,630
2023		
Beginning and end of financial year	4,535,571	277,630

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements****For the financial year ended 31 December 2024****21. Share capital and other reserves (continued)****Ordinary 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).

Other reserves

Composition:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Currency translation reserve	50	(1)	—	—
Capital reserve	(4,056)	(4,056)	67	67
	(4,006)	(4,057)	67	67

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Currency translation reserve:				
Beginning of financial year	(1)	(2)	—	—
Foreign currency translation	51	1	—	—
End of financial year	50	(1)	—	—

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital reserve:				
Beginning and end of financial year	(4,056)	(4,056)	67	67

Capital reserve includes the realised gain or loss on sale or reissue of treasury shares, net of any directly attributable incremental transaction costs and related income tax. In prior years, the Group granted put options to non-controlling interests ("NCI") to require the Group to purchase the shares held by the NCI in certain subsidiaries. The Group has accounted for the put options as financial liabilities (Note 16) at the present value of the option exercise price, with a corresponding debit to equity attributable to the owners of the Company under capital reserve.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****22. Movements in Company's accumulated losses**

	Company	
	2024	2023
	\$'000	\$'000
Beginning of financial year	(37,518)	(40,108)
(Loss)/profit for the year	(71)	2,590
End of financial year	<u>(37,589)</u>	<u>(37,518)</u>

23. 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Corporate guarantees relating to:</i>				
- performance guarantees	791	614	791	614
	<u>791</u>	<u>614</u>	<u>791</u>	<u>614</u>

The Group has commitments relating to the purchase of property, plant and equipment as below:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Capital commitments relating to:</i>				
- acquisition of property, plant and equipment	—	2,142	—	—
	<u>—</u>	<u>2,142</u>	<u>—</u>	<u>—</u>

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

24. Business combinations

Acquisition of subsidiaries

Urohealth Pte. Ltd., Lily Aw Medical Services Pte Ltd, PT Karya Senyum Nusantara and Union Smile Pte. Ltd. and its subsidiaries

On 1 July 2023, the Group through its wholly-owned subsidiary, Unimedic Pte. Ltd., acquired 60% interest in Urohealth Pte. Ltd. for a total consideration of \$8,250,000.

On 1 July 2023, the Group through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd, acquired 49% controlling interest in Lily Aw Medical Services Pte Ltd. On satisfaction of the conditions in the Sale and Purchase Agreements ("SPA") to acquire remaining 51% interest in Lily Aw Medical Services Pte Ltd, Healthway Medical Group Pte Ltd obtained 100% equity interest in the entity on 19 September 2023 (Note 12). The cumulative total consideration was \$2,000,000.

On 6 October 2023, the Group through its wholly-owned subsidiary, Healthway Investment SEA Pte. Ltd. ("HISEA"), incorporated Union Smile Pte. Ltd. On 18 December 2023, along with two other parties, Union Smile Pte. Ltd. raised additional fundings and acquired 99.99% equity interest in PT Kreasi Unggul Investama ("KUI"), which has 99.99% equity interest in PT Karunia Senyum Sejahtera ("KSS"). The total consideration for the acquisition was \$4,870,000. The resulting equity interest held by HISEA in Union Smile Pte. Ltd. is 51%.

On 18 December 2023, HISEA acquired 51% equity interest in PT Karya Senyum Nusantara ("KSN") for a total consideration of \$175,000.

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

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

24. Business combinations (continued)

Acquisition of subsidiaries (continued)

Urohealth Pte. Ltd., Lily Aw Medical Services Pte Ltd, PT Karya Senyum Nusantara and Union Smile Pte. Ltd. and its subsidiaries (continued)

The fair values of the identifiable assets and liabilities of Urohealth Pte. Ltd. ("URO"), Lily Aw Medical Services Pte Ltd ("LAMS"), PT Karya Senyum Nusantara ("KSN") and Union Smile Pte. Ltd. and its subsidiaries ("UNION") at the date of acquisition are as follows:

	URO \$'000	LAMS \$'000	KSN \$'000	UNION \$'000	Total \$'000
Assets					
Property, plant and equipment (Note 13)	523	159	690	2,361	3,733
Cash and cash equivalents	1,026	222	–	28	1,276
Trade and other receivables	1,371	114	–	858	2,343
Inventories	185	61	–	–	246
	3,105	556	690	3,247	7,598
Liabilities					
Trade and other payables	1,507	172	858	–	2,537
Lease liabilities	231	161	–	–	392
Current income tax liabilities	110	37	–	–	147
	1,848	370	858	–	3,076
Total identifiable net assets acquired	1,257	186	(168)	3,247	4,522
Non-controlling interests	(503)	(95)	82	(1,591)	(2,107)
Goodwill arising on acquisition	7,496	1,909	261	3,214	12,880
	8,250	2,000	175	4,870	15,295
Cash consideration	6,300	2,000	175	4,870	13,345
Contingent consideration	1,950	–	–	–	1,950
Total consideration	8,250	2,000	175	4,870	15,295
Net cash acquired with the subsidiaries	1,026	222	–	28	1,276
Cash paid	(6,300)	(2,000)	(175)	(4,870)	(13,345)
Net cash flow on acquisition	(5,274)	(1,778)	(175)	(4,842)	(12,069)

(a) Acquisition-related costs

Acquisition-related costs of \$200,000 were expensed and are included in other expenses.

(b) Contingent consideration

The contingent consideration was calculated using the income approach measured based on forecasted earnings before interest, taxes, depreciation and amortisation of URO from 1 July 2023 to 30 June 2026. The amount shall be payable on 30 June 2026.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

24. Business combinations (continued)

Acquisition of subsidiaries (continued)

Urohealth Pte. Ltd., Lily Aw Medical Services Pte Ltd, PT Karya Senyum Nusantara and Union Smile Pte. Ltd. and its subsidiaries (continued)

(c) Acquired receivables

The fair value of trade and other receivables is \$2,343,000. The gross contractual amount for trade and other receivables due is \$2,351,000 before net of allowance for impairment loss of \$8,000. Management is of the view that there is no material credit risk relating to the trade and other receivables of \$2,343,000.

(d) Goodwill

The total consideration is negotiated on a willing buyer willing seller basis, taking into account the existing clientele and growth prospects presented by the respective businesses. The goodwill of \$12,880,000 arising from the acquisitions is attributable to the synergies between the businesses and the anticipated economies of scale arising from combining the operations with the Group.

LAMS

As at 31 December 2023, goodwill arising from the acquisition LAMS amounting to \$1,909,000 has been determined on a provisional basis as the final results of the purchase price allocation have not been finalised by the date the financial statements were authorised for issue.

During the financial year, the Company finalised the purchase price allocation related to the acquisition. As a result, provisional goodwill recognised at acquisition date was adjusted from \$1,909,000 to \$2,096,000. The upward adjustment of \$187,000 was attributable to the additional purchase consideration of \$187,000 given to the Founder Doctor as part of the amended Sale and Purchase of Shares Agreement. The additional consideration paid during the year is based on the net tangible assets of LAMS as at acquisition date.

KSN and UNION

The Group has engaged an independent valuer to perform the purchase price allocation of the acquisition. As at 31 December 2023, goodwill arising from the acquisitions of KSN and UNION amounting to \$3,475,000 has been determined on a provisional basis as the final results of the independent valuer have not been received by the date the financial statements were authorised for issue.

During the financial year, the Company finalised the purchase price allocation related to the acquisition. As a result, provisional goodwill recognised at acquisition date was adjusted from \$3,475,000 to \$2,711,000. The downward adjustment was attributable to additional deferred tax assets of \$1,500,000 recognised from the fair value adjustment of property, plant and equipment, of which the Group's share was \$765,000. This resulted in a decrease in overall goodwill recognised.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

24. Business combinations (continued)

Acquisition of subsidiaries (continued)

Urohealth Pte. Ltd., Lily Aw Medical Services Pte Ltd, PT Karya Senyum Nusantara and Union Smile Pte. Ltd. and its subsidiaries (continued)

(e) Contribution to the Group

URO contributed revenue of \$5,014,000 and profit of \$558,000 to the Group for the period from 1 July 2023 to 31 December 2023. If the business combination had taken place at the beginning of the financial year, the revenue contribution by URO from continuing operations would have been \$9,173,000 and the contribution to the Group's profit for the year would have been \$1,195,000.

LAMS contributed revenue of \$496,000 and profit of \$58,000 to the Group for the period from 1 July 2023 to 31 December 2023. If the business combination had taken place at the beginning of the financial year, the revenue contribution by LAMS from continuing operations would have been \$1,188,000 and the contribution to the Group's profit for the year would have been \$209,000.

Contributions to the Group's revenue and profit by KSN and UNION were not material for the period from 18 December 2023 to 31 December 2023.

Acquisition of businesses

During the year ended 31 December 2023, the Group through its wholly-owned subsidiary, Healthway Medical Group Pte Ltd ("HMG"), acquired five General Practitioner ("GP") clinics for a total consideration of approximately \$3,650,000 comprising a cash consideration of \$2,187,000 and a contingent consideration of approximately \$1,463,000.

The following is a summary of the details relating to the acquisition:

	\$'000
(i) Purchase consideration	
Cash paid and consideration transferred for the business	2,187
Contingent consideration (Note (v) below)	1,463
	<u>3,650</u>
(ii) Effect on cash flows of the Group	
Cash paid	2,187
Less: cash and cash equivalents acquired	—
	<u>2,187</u>
Cash outflow on acquisition	<u>2,187</u>
(iii) A goodwill amounting to \$3,650,000 is recognised on the acquisition date and is measured as the excess of the purchase consideration of \$3,650,000 over the net amounts of the identifiable assets acquired and liabilities assumed in these acquisitions.	

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

24. Business combinations (continued)

Acquisition of businesses (continued)

(iv) Acquisition-related costs

Acquisition-related costs of \$30,000 were expensed and are included in other expenses.

(v) Contingent consideration

As part of the purchase agreement with two former owners of the clinics, a contingent consideration has been agreed. Additional cash payments shall be payable to a former owner in four tranches and to another former owner in one tranche ("Payment Dates"). The consideration will be adjusted based on each 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 \$1,463,000, which was calculated by applying the income approach using the probability-weighted payout approach. This is a Level 3 fair value measurement.

(vi) Acquired receivables

There were no acquired receivables arising from the acquisition.

(vii) Goodwill

The goodwill of \$3,650,000 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. There were no material tangible assets being transferred to the Group.

(viii) Revenue contribution

The acquired businesses contributed a total revenue of \$2,479,000 to the Group from the date of the acquisitions to 31 December 2023. If the business combination had taken place at the beginning of the financial year, the revenue contribution by the acquired businesses from continuing operations would have been \$2,916,000.

During the financial year ended 31 December 2024, the Group paid a total of \$459,000 relating to contingent consideration arising from the acquisition of two GP clinics in the prior year.

During the financial year ended 31 December 2023, the Group paid \$235,000 relating to contingent consideration arising from the acquisition of a GP clinic on 1 January 2020.

The total cash outflow on acquisition of businesses including contingent consideration paid in the financial year ended 31 December 2024 amounted to \$459,000 (2023: \$2,422,000).

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

25. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Detailed policies are established and carried out by management in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) *Market risk*

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore. The Group's monetary assets and liabilities are principally denominated in Singapore Dollar.

The Group 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 risk*

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.

The Group has five customers (2023: five) with balances individually greater than 5% of the total trade and other receivables.

0.1% (2023: 0.3%) of the Group's trade and other receivables were due from related parties while none (2023: Nil) of the Company's receivables were balances with related parties.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024****25. 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 credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2024 and 31 December 2023.

	Current to 365 days past due \$'000	More than 365 days past due \$'000	Total \$'000
Group			
As at 31 December 2024			
Sales of medical services			
Weighted-average expected loss rate	3.0%	100%	
Trade receivables	24,291	2,706	26,997
Loss allowance	(727)	(2,706)	(3,433)
As at 31 December 2023			
Sales of medical services			
Weighted-average expected loss rate	3.4%	100%	
Trade receivables	25,406	2,663	28,069
Loss allowance	(856)	(2,663)	(3,519)

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

25. Financial risk management (continued)

Financial risk factors (continued)

(b) *Credit risk* (continued)

(iii) *Other receivables and deposits*

Except as disclosed in Note 10, the Group and the Company do 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 \$19,470,000 and \$9,624,000 respectively (2023: \$19,515,000 and \$11,007,000) 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.

During the year, the Group entered into a supplier finance arrangement, whereby the payment terms for trade payables covered by the arrangement are identical to the payment terms for other trade payables. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk as it is not a significant portion of the Group's liabilities. Refer to Note 16 for further details.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows	Less than 1 year	Between 1 and 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000
Group				
2024				
Non-derivative financial liabilities				
Unsecured borrowings	1,805	1,805	—	—
Lease liabilities	40,814	13,361	21,108	6,345
Trade and other payables*	33,345	25,783	7,562	—
	75,964	40,949	28,670	6,345
2023				
Non-derivative financial liabilities				
Lease liabilities	39,970	13,509	17,961	8,500
Trade and other payables*	37,081	27,694	9,387	—
	77,051	41,203	27,348	8,500

* Excludes deferred income, provision for unutilised leave and goods and services tax payables, net

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2024

25. Financial risk management (continued)

Financial risk factors (continued)

(c) *Liquidity risk* (continued)

	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000
Company			
2024			
Non-derivative financial liabilities			
Trade and other payables*	965	965	—
Lease liabilities	1,265	799	466
	<u>2,230</u>	<u>1,764</u>	<u>466</u>
2023			
Non-derivative financial liabilities			
Trade and other payables*	1,955	1,955	—
Lease liabilities	2,048	783	1,265
	<u>4,003</u>	<u>2,738</u>	<u>1,265</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 2024 and 31 December 2023.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements**
For the financial year ended 31 December 2024**25. 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	48,522	48,719	9,802	11,195
Financial assets, at fair value through profit or loss	1,636	1,116	–	–
Financial liabilities, at amortised cost	70,886	71,012	2,184	3,884

26. Fair value measurement

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

- 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 assets measured at fair value at the end of the reporting period:

	Level 3	
	2024	2023
	\$'000	\$'000
Group		
Financial assets		
<u>Derivatives</u>		
Options in NCI's shares (Note 15)	1,636	1,116

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2024

26. Fair value measurement (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 2024 and 2023:

Group		Significant	
Description	Valuation technique	unobservable inputs	Range used
Recurring fair value measurement			
Derivatives	Options pricing model	Earnings before interest, taxes, depreciation and amortisation ("EBITDA") growth rates	13.7% to 85.4% (2023: 1.1% to 49.7%)

(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.

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2024

26. Fair value measurement (continued)

(a) Assets and liabilities measured at fair value (continued)

Level 3 fair value measurements (continued)

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

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

	Group	
	2024	2023
	\$'000	\$'000
Beginning of financial year	1,116	964
Fair value gain (Note 5)	520	152
End of financial year	1,636	1,116

(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 9), current trade and other receivables (Note 10), current trade and other payables (Note 16) and borrowings (Note 17)

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 10), trade and other payables (non-current) (Note 16)

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.

Healthway Medical Corporation Limited and its Subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2024**

27. 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	
	2024	2023
	\$'000	\$'000
Rental and other operating expenses	1,325	1,300
Rental and other operating income	132	168
Staff costs	48	324

Balances with related parties at the balance sheet date are set out in Note 10 and Note 16.

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	
	2024	2023
	\$'000	\$'000
Wages and salaries	1,410	1,136
Directors' fees of the Company	65	376
Employer's contribution to defined contribution plans including Central Provident Fund	28	35
	1,503	1,547

Healthway Medical Corporation Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2024

28. Events occurring after the reporting period

As announced in Budget 2025, to provide support for companies' cash flow needs, a Corporate Income Tax ("CIT") Rebate of 50% of the corporate tax payable will be granted to all tax-paying companies, whether tax resident or not, for Year of Assessment 2025. Active companies that have employed at least one local employee in 2024 will receive a minimum benefit of \$2,000 in the form of a CIT Rebate Cash Grant. The total maximum benefits of CIT Rebate and CIT Rebate Cash Grant that a company may receive is \$40,000.

29. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 4 June 2025.