IHC INTERNATIONAL HEALTHWAY CORPORATION

Annual Report 2013

Your Integrated Healthcare Services and Facilities Provider

Content

Mission

Our Mission is to become the leading healthcare company with a strong Asia Pacific presence, to touch the lives of our patients and build platforms for sustainable development through integrated medical developments.

International Healthway Corporation Limited (the " Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 July 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This Annual Report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, Telephone: +65 6229 8088.

Corporate Profile

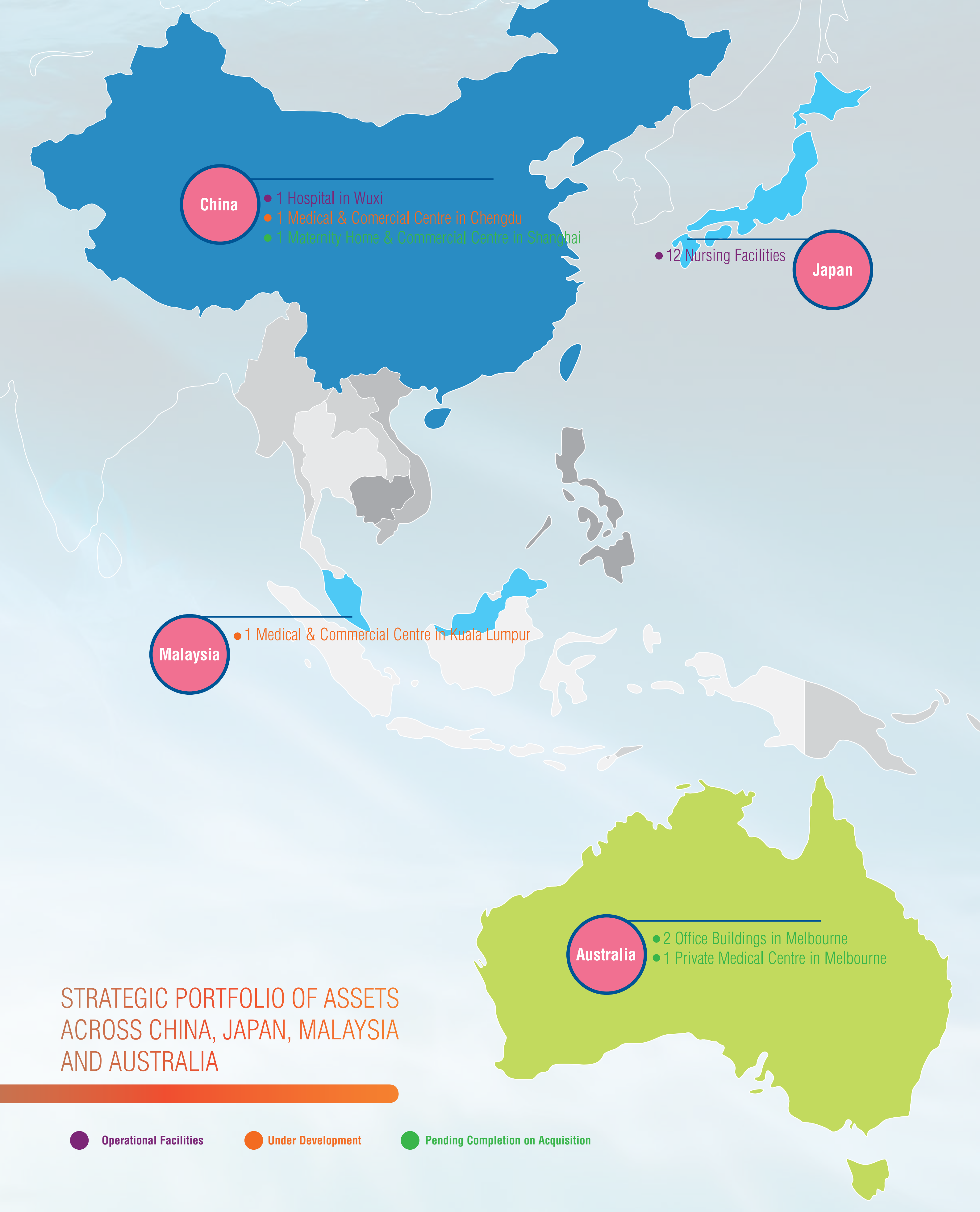
International Healthway Corporation Limited ("IHC") is an integrated healthcare services and facilities provider. Since its incorporation in February 2013 in Singapore and listing on the SGX Catalist on July 8, 2013, IHC has increased its market presence in the major Asian economies of People's Republic of China ("PRC" or "China"), Japan, Malaysia and Australia. On November 27, 2013, IHC became a constituent stock in the Morgan Stanley Capital International ("MSCI") Global Small Cap Indices.

IHC is focused on the provision of healthcare services through the management and operation of hospital and investment in healthcare-related assets, as well as the development of medical real estate, healthcare-related assets and integrated mixed-use developments.

IHC's healthcare portfolio of properties are currently made up of hospital, medical centres, senior residences, nursing homes and mixed-use developments located in China, Japan, Malaysia and Australia.

In Dujiangyan, Chengdu City, China, IHC is developing an integrated mixed-use development with a Women and Children Specialist hospital and a podium block of wellness themed retail and lifestyle centre ("**IHC Chengdu Project**"). In Wuxi, China, IHC has plans to redevelop its Wuxi New District Phoenix Hospital ("**Wuxi Hospital**") into an 800-bed hospital, with various retail facilities and service apartments ("**IHC Wuxi Project**") and is in the process of seeking approval from the planning authority. In Gaoqiao, Shanghai, China, IHC is in advance stage to complete the acquisition and has plans to convert a development comprising three blocks to a maternity home, medical suites and other niche retail and food and beverage spaces and a lifestyle and entertainment centre ("**IHC Shanghai Project**"). The Group also owns 12 fully operating nursing facilities in Japan, which are located in Sapporo, Nara, Kyoto and Nagano ("**Nursing Facilities**"). In Kuala Lumpur, Malaysia, IHC is developing an integrated mixed-use development with specialist medical suites, retail space and service residences ("**IHC KLCC Project**"), which is targeted to complete in 2017. In Australia, IHC had also signed contracts of sale for the acquisition of three properties situated at 553 St Kilda Road, 541 St Kilda Road and 73-79 Little Ryrie Street.

With IHC's portfolio of healthcare assets, pipeline projects, an extensive knowledge in healthcare sector and real estate development, IHC is well-poised to capitalise on favourable healthcare trends in highly attractive and rapid healthcare growth markets in the Asia-Pacific region.



STRATEGIC PORTFOLIO OF ASSETS ACROSS CHINA, JAPAN, MALAYSIA AND AUSTRALIA

OPERATIONAL FACILITIES

UNDER DEVELOPMENT


Wuxi New District Phoenix Hospital,
Hospital
Wuxi, Jiangsu Province, China


Hikari Heights Varus Fujino
Nursing home
Sapporo, Hokkaido, Japan


Hikari Heights Varus Ishiyama
Nursing home
Sapporo, Hokkaido, Japan


Hikari Heights Varus Kotoni
Nursing home
Sapporo, Hokkaido, Japan


Hikari Heights Varus
Makomanai-Koen
Nursing home
Sapporo, Hokkaido, Japan


Hikari Heights Tsukisamu-Koen
Nursing home
Sapporo, Hokkaido, Japan


Varus Cuore Yamanote
Nursing home
Sapporo, Hokkaido, Japan


Varus Cuore Sapporo-Kita
Nursing home
Sapporo, Hokkaido, Japan


Elysion Gakuenmae
Nursing home
Nara, Japan


Elysion Mamigaoka/Elysion
Mamigaoka Annex
Nursing home
Nara, Japan


Elysion Amanohashidate
Nursing home
Miyazu, Kyoto, Japan


Elysion Kaichi North
Nursing home
Matsumoto, Nagano, Japan


Elysion Kaichi West
Nursing home
Matsumoto, Nagano, Japan


Medical & Commercial Centre
Integrated Medical Real Estate
Chengdu, Sichuan, China


Medical & Commercial Centre
Integrated Medical Real Estate
Kuala Lumpur, Malaysia

Chairman's Message

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my great pleasure to present to you our inaugural Annual Report for the financial year ended December 31, 2013.

Dr Jong Hee Sen
Executive Chairman and Group President

CROSSING EACH MILESTONE WITH CONFIDENCE

This is our very first annual report to our shareholders since our successful listing on the Catalist Board of the Singapore Exchange Securities Trading Limited on July 8, 2013. We are pleased with the warm reception we garnered from the investment community, and would like to thank all shareholders for choosing to invest in IHC's growth.

A notable milestone we achieved was being selected as a constituent stock of the MSCI Global Small Cap Indices, effective 27 November 2013, less than five months after our l isting. This further underscores the investing community's confidence in our Group's fundamentals and will help raise our visibility as we increase our market presence in the major Asian economies of China, Japan, Malaysia and Australia.

Financially, we ended FY2013 with a revenue of S$31.3 million, mainly driven by our Healthcare Services segment through the operation of a hospital in Wuxi City, Jiangsu Province, China and rental income from the leasing of a portfolio of 12 fully operational nursing facilities in various parts of Japan which commenced in April 2013. Net profit after tax of S$44.5 million was higher than our revenue, mainly due to fair value gains from our investment properties and investment properties under development. As the revenue-generating assets were only acquired in 2013, the Group did not record revenue and net profit for the previous corresponding year.

KEY CORPORATE DEVELOPMENTS

During the year under review, we made good progress on two key assets in both Malaysia and China.

In Malaysia, we are pleased that Marriott International Inc. will be coming on board to manage the Marriott Executive Apartments in the IHC KLCC Project. It will be the first 'Marriott Executive Apartments' in Malaysia, a core component of the IHC KLCC Project at the heart of Kuala Lumpur City Centre. At the same time, we have also successfully secured financing facility of RM190 million (approximately S$73.34 million) from Public Bank Berhad, a leading financial services provider in Malaysia for the IHC KLCC project. This is a strong affirmation for the exciting prospects of this development project, which is progressing as scheduled. Having secured the financing facility, piling works will begin by second quarter 2014, with completion of the development scheduled in 2017.

In Dujiangyan, Chengdu City, China, IHC is developing an integrated mixed-use development with a Women and Children Specialist hospital and a podium block of wellness themed retail and lifestyle centre. We are in the process of seeking approval from the planning authority and preparing the tender for the main contract.

As part of our geographical diversification, we made our maiden entry into Australia in March 2014, with the signing of Contracts of Sale for acquisition of three freehold properties. The first two acquisitions are a seven-storey office building and an eight-storey commercial building in Melbourne, Australia, and we are planning to re-position these two properties in line with our integrated healthcare focus. The other property is a four-storey high medical-use building.

We see strong growth potential in the integrated healthcare services and facilities industry in these countries, driven both by organic growth and increasing private healthcare consumption, which is in turn fuelled by rising affluence and improved standards of living. These countries are also increasingly become crucial hubs for medical travel within their respective regions, providing us with opportunities to further expand our patient catchment area and widen the growth prospects for our business.

CLEAR GROWTH STRATEGIES AND OUTLOOK

Exploring Establishment of Healthcare Real Estate Investment Trust ("Healthcare REIT")

For all properties under our management, we will continually implement proactive measures to improve operational performance and maximise the cash flow and value of our assets.

Medical and Commercial Centre, Chengdu, China

This is in line with our strategic plan to nurture our healthcare assets and at the opportune time unlock value for all shareholders. We are currently exploring the establishment of a Healthcare REIT to be listed on the Main Board of the Singapore Exchange Securities Trading Limited. The likely asset portfolio, terms at which the properties will be injected and the other details of the proposed transaction (including the size, timeframe and terms of any such offering made in respect of the REIT) are currently still under review.

It is our aim to enhance shareholders' value by improving capital efficiency, and strategically redeploying the strong cash flows from our current operating assets into fast-growing emerging economies, to drive our expansion in the Asia-Pacific region.

Establishing a listed Healthcare REIT will enable us to monetise part of our asset portfolio, and recycle capital into a wider portfolio of operating healthcare properties with which we can offer medical services.

We will keep our shareholders informed as and when there are material developments on the Healthcare REIT.

Riding on increasing healthcare consumption in Asia[1]

The healthcare services market is a high growth industry in Asia on the back of increasing life expectancy, rising affluence and increasing medical tourism in the region. According to Frost & Sullivan, Asia Pacific's regional healthcare expenditure per capita is expected to grow at a Compounded Annual Growth Rate of 4.8% from 2012 to 2018. In particular, China, Japan and India are forecasted to be some of the largest healthcare spenders.

In Japan, where we own a portfolio of 12 fully operational nursing facilities with 1,368 rooms consisting of a combination of single and double beds, the increasing number of ageing population is expected to triple public spending on long-term care, from 1.4% of GDP in 2007 to as high as 4.4% in 2050, with about 40% of the healthcare expenditure going towards elderly care.

In the PRC, where we operate a hospital in Wuxi and plan to move into the Shanghai and Chengdu markets, private specialists' hospitals catering to expatriates, affluent locals and those seeking specialised treatments are expected to grow as the country sees an expanding middle to high-income class. In addition, the Chinese government intends to reduce the burden on the public healthcare system by increasing the share of in- and out-patient visits at private hospitals from 8% in 2012 to 20% by 2015.

In Malaysia, our IHC KLCC Project is scheduled to be completed by 2017. At the same time, we continue to explore potential opportunities in Iskandar, Johor. The healthcare sector is a focus for development under the government's Economic Transformation Programme and is expected to contribute RM50.5 billion to the country's Gross National Income by 2020. With revenue from medical tourism expected to triple by 2016, Iskandar, Johor is seen to be the next medical travel hub in Malaysia.

While we continue to strengthen our position by deepening our roots in our current markets in Japan, China, Malaysia and Australia, we continue to set our eyes on the whole of Asia-Pacific. We believe we can effectively leverage on our expertise and experience to expand into other developing markets in the region, such as Indonesia, the Philippines and India, to make us a truly Pan Asian player.

WORD OF APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to my fellow directors who have given me their invaluable counsel and guidance.

To our management and staff, thank you for the hard work and dedication in building IHC together. The public listing is only a start, and together, we can boldly chart our growth and our future. I would also like to thank all our business partners for their unwavering support through these years.

I look forward to working closely with you as we steer IHC to greater heights.

1. Source : Frost & Sullivan "Market Research Report on the Healthcare Services Industry in China, Japan and Malaysia," February 25, 2013

Financial and Operations Review

IHC has begun its journey as a public listed company on a strong footing. Shortly after our listing in July 2013, IHC was selected as a constituent stock for the MSCI Global Small Cap Indices. This signals confidence in IHC's fundamentals and growing pipeline of medical assets in Asia's healthcare sector, which are being operated or developed under two business segments – Healthcare Services and Integrated Medical Real Estate.

STRONG REVENUE AND NET PROFIT

For the financial year ended December 31, 2013 ("FY2013"), the Group achieved revenue of S$31.3 million and a gross profit of S$14.9 million. IHC also recorded other operating income of S$57.8 million, due mainly to the recognition of fair value gains on our investment properties and investment properties under development. Despite higher administrative and finance expenses of S$13.0 million and S$8.3 million respectively mainly as a result of the operation of the Wuxi Hospital, the asset management fee charged by the asset manager of the Nursing facilities and financing taken up for the acquisition of healthcare assets and working capital needs, the Group's bottom line was at S$44.5 million in FY2013. Correspondingly, earnings per share for FY2013 was 2.938 SGD cents.

HEALTHCARE SERVICES

Revenue in FY2013 was contributed by the provision of healthcare services at our hospital in Wuxi City, Jiangsu Province, China; and rental income from the leasing of 12 fully operational nursing facilities in Japan, which contributed to the Group's revenue from April 2013.

The Wuxi Hospital in Wuxi City, is strategically located in the heart of Wuxi City and is in close proximity to upmarket hotels and train stations. The Wuxi Hospital provides a range of medical specialisations such as Ophthalmology, Urology, Dermatology, Gynaecology, Paediatrics and Orthopaedics, and is well equipped with medical facilities for X-rays and CT scans. It also houses approximately 125 beds. In addition, the Wuxi Hospital has a strong team of 300 staff of which more than 70 are doctors and more than 100 are nurses.

In Japan, IHC owns a portfolio of 12 fully operational nursing facilities. In April 2013, IHC entered into Master Lease Agreements with experienced operators of the Nursing Facilities, for which IHC derives rental income from these operators. These Nursing Facilities range from 1,561 square meters to 20,756 square meters large, with number of rooms ranging from 29 to 281. Located near hospitals in cities such as Sapparo, Nara, Kyoto and Nagano, the Nursing Facilities are also staffed with caretakers, nurses and/or doctors to provide 24-hour healthcare service to the residents.

INTEGRATED MEDICAL REAL ESTATE ("IMRE")

In the IMRE segment, the Group has a geographically diversified land bank across Malaysia and China. Projects under the IMRE segment - the IHC KLCC Project, IHC Chengdu Project and IHC Wuxi Project, are also progressing well. As they were only acquired in 2013 and are under development, there were no revenue and gross profit contribution from this business segment in FY2013 and also the previous corresponding year.

In Malaysia, we are pleased to have signed a management agreement with Marriott International Inc. for the Marriott Executive Apartments in the IHC KLCC Project. It will be the first 'Marriott Executive Apartments' in Malaysia, occupying 18,000 square meters of built-up GFA in total, with 155 spacious fully-serviced studios, one, two and three bedroom serviced apartments.

The Marriott Executive Apartments is a core component of the IHC KLCC Project, which is a 33-storey integrated mixed-use development at the heart of Kuala Lumpur City Centre (KLCC). The IHC KLCC development scheduled for completion in 2017, is conveniently accessible and near to significant landmarks (e.g. Petronas Twin Towers), premier shopping districts (e.g. Bukit Bintang shopping belt) and business districts.

The Group has also secured financing facility of RM190 million (approximately S$73.34 million) from Public Bank Berhad, a leading financial services provider in Malaysia. This facility will be utilised to solely finance the IHC KLCC project.

Separately for our IHC Wuxi Project, IHC has an adjacent piece of land next to the existing

Elysion Mamigaoka Nursing Home, Nara, Japan

Wuxi Hospital. The area of the land that the existing Wuxi Hospital is on, together with the adjacent piece of land, have a total land size of approximately 22,681 square meters. IHC plans to expand the Wuxi Hospital into a major integrated mixed-use development comprising a 800-bed hospital and commercial facilities, to better meet the future healthcare demands of Wuxi City. Completion of this expansion, which is to be done in two phases, is targeted for 2019.

For our IHC Chengdu Project, which is located near large catchment areas of residential hubs, town amenities and industrial estates, the development process is progressing well and its completion is targeted to be in 2018. When completed, it will be an integrated mixed-use development, with a 150-bed hospital specialising in women and children-related medical disciplines and a wellness themed retail and lifestyle centre.

In January 2014, we acquired IHC Shanghai Medical Village Pte Ltd ("**IHCSMV**") and its subsidiaries from Healthway Medical Development (Private) Limited. IHCSMV is in advance stage to complete the acquisition of a project located in Gaoqiao, Pudong New District, Shanghai, China, consisting of three blocks of completed Dutch-themed architectural design mixed-use development which IHC plans to reposition them. After the repositioning, they will house a maternity home, service apartments, specialist medical suites specialising in women wellness, wellness medicine, reproductive medicine and aesthetics as well as niche retail shops and a lifestyle and entertainment centre and other food and beverage outlets.

In March 2014, the Group has signed a Contract of Sale for its A$45.0 million acquisition of a freehold, commercial property, marking the beginning of IHC's portfolio diversification into Australia. The property is a seven-storey office building with net leasable area of 10,170 sqm. In line with IHC's business of providing both integrated healthcare services and facilities, IHC plans to reposition the property. The Group has also signed the Contracts of Sale for another two freehold properties for approximately A$63.8 million in aggregate, swiftly after the first acquisition. The second acquisition is an eight-storey commercial building with net leasable area of 8,229 sqm at 541 St Kilda Road, Melbourne which IHC plans to reposition. The third acquisition is of a four-storey high medical-use building with net leasable area of 5,172 sqm at 73-79 Little Ryrie Street, Geelong.

STRONG BALANCE SHEET TO SUPPORT GROWTH PLANS

The Group had raised net proceeds of S$22.7 million from its successful Initial Public Offering in July 2013. As intended, the Group utilised S$10.0 million for the development and redevelopment of our existing projects, S$8.0 million for the acquisition of our pending projects, and S$4.2 million as working capital. The remaining S$0.5 million, which has been earmarked for purchase and/or upgrade of medical equipment, has not yet been utilised.

As of December 31, 2013, IHC has a net asset value per ordinary share of 9.90 Singapore cents, cash and cash equivalents of S$35.3 million, and a positive working capital of S$29.0 million.

LOOKING AHEAD

With the outlook for integrated healthcare services and facilities industry in Malaysia, Japan, the PRC and Australia remaining bright, primarily driven by both organic growth and increasing private healthcare consumption, fuelled by rising affluence and improved standard of living, IHC will continue to focus on investing in healthcare services and facilities in strategic locations, pursuing the implementation of our business strategies and future plans to enlarge our asset portfolio of healthcare services and facilities. We will also explore the listing of a Healthcare REIT, which will enable the Group to monetise part of our asset portfolio, and ultimately enhancing shareholder value.

The Group's accomplishments in FY2013 herald only the beginning of IHC's journey as a listed company and are indicative of the growth potential of IHC. With our healthy fundamentals and clear growth strategies in place, we look forward to the continued support of our shareholders in unlocking the value of our attractive and strategic portfolio of assets across China, Japan, Malaysia and Australia.

Board Of Directors

Dr Jong Hee Sen

Executive Chairman and Group President

As Executive Chairman and Group President, Dr Jong Hee Sen is primarily responsible for leading the overall strategic development of IHC, providing management leadership to the Company.

Dr. Jong has close to 18 years of industry experience, having held senior positions in various private firms. During his term as executive director and president of Healthway Medical Corporation Limited ("HMC"), he provided leadership in the Singapore operations as well as HMC's expansion into the PRC. Dr. Jong Hee Sen also served as director of Universal Gateway International group of companies, overseeing technology development and innovations. He was also previously the vice president of GIC Real Estate Pte Ltd, where he was responsible for real estate investments and fund management in Asia markets for the Government of Singapore Investment Corporation.

Dr. Jong Hee Sen holds a Doctor of Philosophy in Business Administration, a Master of Science (Psychology) from the University of Michigan, Ann Arbor, USA, a Master of Business Administration from the University of Wisconsin, Madison, USA and a Bachelor of Science from the National University of Singapore.

Mr Yip Yuen Leong

Executive Director and President, Integrated Medical Real Estate

Mr Yip Yuen Leong, as Executive Director and President, Integrated Medical Real Estate is primarily responsible for the development, operation and control of our medical assets, healthcare-related assets and integrated mixed-use developments.

Mr Yip has over 20 years of real estate experience including asset management, property development and property management, leasing and marketing. Prior to IHC, Mr Yip was executive vice president of Pacific Star Asset Management, and was responsible for maximising asset returns, enhancing asset management controls, and portfolio management of their real estate assets. Mr Yip was also the vice president of the properties department of Singapore Airlines Limited, and was responsible for real estate development and infrastructure management, property acquisition and divestment, property management and real estate leasing.

Mr. Yip Yuen Leong holds a Master of Applied Finance from the University of Adelaide, a Master of Science (Project Management) and a Bachelor of Engineering (Mechanical) from the National University of Singapore.

Mr Wong Ong Ming Eric

Non-executive Director

Mr Wong Ong Ming, a Non-Executive Director, joined the Board on 17 May 2013. He is currently a Non-executive Director of Healthway Medical Enterprises Pte Ltd and Pathway Biomed Ltd.

Mr Wong started his career as a police officer in the Singapore Police Force. He subsequently pursued a career in Human Resource Management and worked in several American and European multi-nationals semiconductor companies including SGS-Thomson Microelectronics – Singapore, and TECH Semiconductor (S) Pte Ltd. Mr. Wong was also the Director for Central Services with Healthway Medical Group Pte Ltd, and was responsible for human resource and general management functions.

Mr Ong Lay Khiam

Independent Director

Mr Ong Lay Khiam joined the Board as an Independent Director on 17 May 2013. Mr Ong has worked in the banking and finance industry in Singapore since 1971, principally as a commercial banker. Mr Ong has held various senior positions in DBS Bank, Keppel Tat Lee Bank and Hong Leong Finance in his long career. Prior to his retirement in September 2013, he was an Executive Director with UBS AG, Wealth Management. Mr Ong has also been active in education and non-profit sectors. He served on the Council of both Singapore Chinese Chamber of Commerce and Industry (SCCCI) as well as the Nanyang Technological University (NTU). Currently, he is an Honorary Council Member of the SCCCI and a member of the Investment Committee of the Chinese Development Assistance Council (CDAC). He was also an Adjunct Associate Professor at the NTU. Mr Ong is the Lead Independent Director and Chairman of Audit Committee of Tiong Sheng Holdings, a company listed on the Main Board of the Singapore Stock Exchange.

Mr Ong Lay Khiam graduated with First Class Honours in Accountancy from Nanyang University. He also obtained a Master's degree in Accounting and Finance from the London School of Economics and Political Science, University of London and is a member of the Institute of Certified Public Accountants of Singapore.

Mr Siew Teng Kean

Lead Independent Director

Mr Siew Teng Kean was appointed as the Lead Independent Director of IHC on 17 May 2013. Mr Siew is currently a senior director with UOB Asset Management and heads its institutional business development department. A veteran in financial services, Mr Siew was also previously a managing director at Temasek Holdings Pte Ltd.

Mr Siew Teng Kean graduated from the University of Adelaide with a Bachelor of Engineering and also obtained a Master of Science from the National University of Singapore as well as a Master of Science in Engineering from the University of Michigan. Mr. Siew was conferred the Chartered Financial Analyst charter from the CFA Institute in 1997.

Mr Teo Cheng Hiang Richard

Independent Director

Mr Teo Cheng Hiang Richard is our Independent Director from 17 May 2013. Mr Teo has more than 30 years of experience in managing funds in senior fiduciary positions in the Government of Singapore Investment Corporation ("GIC") and for large blue chip financial institutions and ultra-high net worth Individuals. His experience extends across North America, Europe and Asia, where he was responsible for funds, investment and asset management, corporate restructuring companies, asset turn-around and repositioning and value creation for the shareholders.

Mr Teo Cheng Hiang Richard graduated with a Bachelor of Science on a Colombo Plan Scholarship (Australia) and a Bachelor of Architecture (First Class Honours) in 1979 from the University of Newcastle under the Colombo Plan (Australia) Scholarship program. He subsequently obtained a Master of Business Administration from the National University of Singapore in 1987.

Key Management

Mr Chua Chee Min

Group Financial Controller

Mr Chua Chee Min, as Group Financial Controller, is in charge of finance, accounting, as well as cash flow management and budgetary and internal controls of the Group.

Mr Chua has more than 18 years of financial and accounting experience in both public listed and private companies. Prior to joining IHC, Mr Chua worked for Acma Ltd as its Group Financial Controller, looking after the corporate accounting functions of the Group, including corporate tax and statutory reporting. He was also a Finance Manager in a Dutch multinational company and an auditor in PricewaterhouseCoopers.

Mr Chua Chee Min holds a Bachelor of Accountancy (Honours) Degree from Nanyang Technological University, Singapore and is a Chartered Accountant of Singapore.

Mr Chee Kok Chin Casey

Senior Vice President, Construction Management

Mr Chee Kok Chin Casey has over 25 years of experience in construction and property development. He has worked in various capacities in the residential, commercial, retail, and hospitality sectors from design concept to project planning, construction and delivery. He spent over 7 years heading regional development operations for some of the Singapore developers in China and Malaysia. He was also involved in some of the high quality luxurious hotel developments in Macau. He brings with him more than two decade long expertise in development and operations to IHC where he drives the development of multiple projects, supervises the construction and planning process, transitions the buildings to an operating state and oversees ongoing operations.

Mr Chee Kok Chin Casey holds a Bachelor of Science (Hons.) Degree in Building from the National University of Singapore and a Master of Business Administration Degree from the University of Dubuque, Iowa, USA.

Mr Liew Ed Mun

Vice President, Integrated Medical Real Estate (South East Asia)

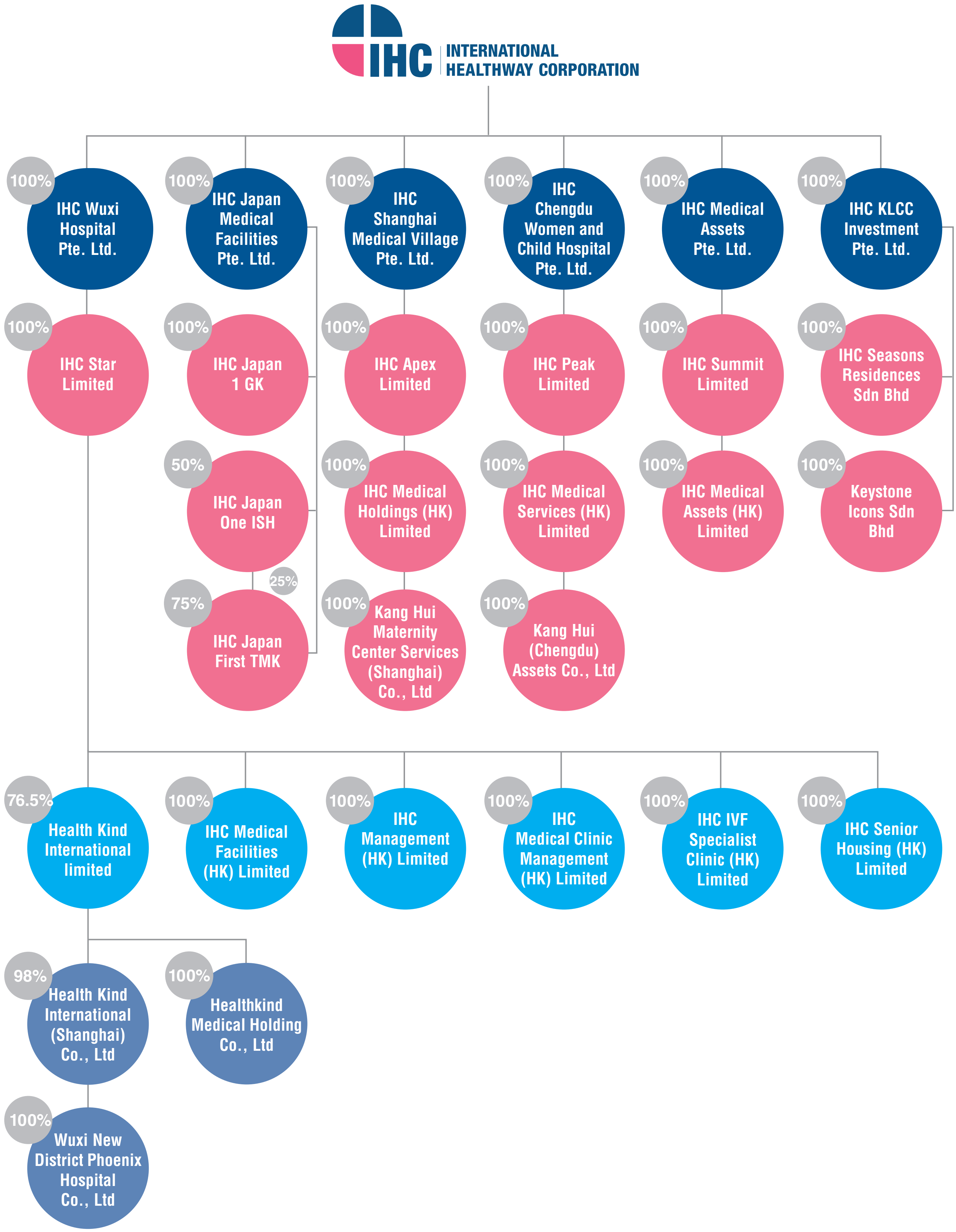
Mr Liew Ed Mun is responsible for IHC's Southeast Asia operations and strategic directions.

Mr Liew began his career with JTC Corporation which included spending time in its corporatised technical division, Jurong Consultants Singapore. As Senior Engineer (Civil and Structural) at JTC Corporation, Mr Liew was in charge of the design and project management of some of Singapore's most notable specialised industrial parks and buildings. Mr Liew then moved on to assume the position of company strategist at Jamington Co Ltd for a brief period before joining Singapore Airlines Ltd, where he was Assistant Manager in the Properties Department and subsequently the Contracts Department, followed by a Network Revenue Analyst in the Network Revenue Management Department.

Mr Liew Ed Mun is a graduate from Monash University, Australia, with a Bachelor of Engineering (Civil) with First Class Honours.

Group Structure

As at Report Date



Corporate Milestones

2013

July 8

IHC is successfully listed on SGX-ST

April

Acquisition of 12 Nursing Facilities in Japan

February

Acquisition of Wuxi New District Phoenix Hospital[1]

2012

October

IHC Medical Services (HK) Limited[2] entered into an agreement to acquire the land for IHC Chengdu Project

2011

October

Our first acquisition made for the IHC KLCC Project

2010

Healthway Medical Development (Private) Ltd was formed
Commencement of business development initiatives to tap on growing opportunities and demand for healthcare in Asia

(1) IHC has an effective interest of 75% in Wuxi New District Phoenix Hospital.
(2) Formerly known as Healthway Medical Services (HK) Limited.

The Board of Directors (the "**Board**" or the "**Directors**") of International Healthway Corporation Limited ("**IHC**" or the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company's shareholders (the "**Shareholders**").

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders' value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the revised Code of Corporate Governance 2012 (the "**Code**") prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). References to the principles of the Code are listed below. The Company has complied with the principles of the Code where appropriate.

Principle 1 : The Board's Conduct of its Affairs

The Company is headed by an effective Board to lead and control the Company.

As at the date of this report, the Board comprises the following members:-

Dr Jong Hee Sen (Executive Chairman and Group President)
Yip Yuen Leong (Executive Director and President, Integrated Medical Real Estate)
Wong Ong Ming Eric (Non-Executive Director)
Siew Teng Kean (Lead Independent Director)
Ong Lay Khiam (Independent Director)
Teo Cheng Hiang Richard (Independent Director)

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group.

Matters which specifically require the Board's decision or approval are those involving:-

– corporate strategy and business plans;

– investment and divestment proposals;

– funding decisions of the Group;

– nominations of Directors for appointment to the Board and appointment of key personnel;

– announcement of quarterly, half year and full year results, annual report and accounts;

– material acquisitions and disposal of assets; and

– all matters of strategic importance.

All other matters are delegated to Board committees whose actions are monitored and endorsed by the Board. These Board committees include the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), all of which operate within clearly defined terms of reference and functional procedures.

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

The Board conducts scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association (the "**Articles**") provide for Board meetings by means of teleconference. The Company was admitted to Catalist on 8 July 2013 and up to the date of this report, the attendance of the Directors at meetings of the Board and Board committees, and the frequency of these meetings are disclosed as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dr Jong Hee Sen	3	3	–	–	1	1	–	–
Yip Yuen Leong	3	3	–	–	–	–	–	–
Wong Ong Ming Eric	3	3	3	3	–	–	1	1
Siew Teng Kean	3	3	3	3	–	–	1	1
Ong Lay Khiam	3	3	3	3	1	1	–	–
Teo Cheng Hiang Richard	3	3	–	–	1	1	1	1

Newly-appointed Directors undergo an orientation program with materials provided to help them get familiarised with the business and organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them properly discharge their duties as Board or Board committee members. The Company encourages directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties.

All Directors were briefed by the Company's solicitors on directors' duties and responsibilities prior to the Company's admission to the Catalist Board of the SGX-ST on 8 July 2013. Also, Directors who do not have prior experience as a director of a public listed company in Singapore have attended the relevant training at Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

Principle 2 : Board Composition and Guidance

The Board currently has six (6) Directors, comprising three (3) Independent Directors, Two (2) Executive Directors and one (1) Non-Executive and Non-Independent Director. Information regarding each Board member is provided under the Board of Directors section set of this Annual Report.

The independence of each Director is reviewed annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The NC is of the view that Mr Siew Teng Kean, Mr Ong Lay Khiam and Mr Teo Cheng Hiang Richard are independent. As half of the Board is independent, the requirement of the Code that at least half of the Board comprises Independent Directors where (1) the Chairman of the Board (the "Chairman") and the chief executive officer ("CEO") is the same person; (2) the Chairman is part of the management team; and (3) the Chairman is not an independent director is satisfied. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

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

The Board and Board Committees comprises Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprises persons who as a group provide capabilities required for the Board to be effective.

Principle 3: Role of Chairman and Chief Executive Officer

Dr Jong Hee Sen ("**Dr Jong**"), the Executive Chairman and Group President, currently assumes the roles of both the Chairman and Chief Executive Officer. He is responsible for the formulation of the Group's strategic directions and expansion plans, and managing the Group's overall business development.

Taking into account the current corporate structure and the scope of the Company's operations, the roles of the Chairman and Chief Executive Officer are not separated. All major proposals and transactions are made in consultation with the Board which comprises independent and non-executive directors. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable power and influence.

Dr Jong is responsible for the formulation of the Group's strategic direction and ensures that Board meetings are held when necessary and sets the Board agenda. Dr Jong ensures that all Board members are provided with complete, adequate and timely information. The Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings.

Mr Siew Teng Kean is the Lead Independent Director of the Company , who is available to address shareholders' concerns on issues that has not been satisfactory resolved or cannot be appropriately dealt with through the normal channel of the Executive Chairman and Group President or the Group Financial Controller.

Principle 4 : Board Membership

The NC comprises three (3) Directors, namely Mr Ong Lay Khiam, Mr Teo Cheng Hiang Richard (both of whom are Independent Non-Executive Directors) and Dr Jong Hee Sen. The Chairman of the NC is Mr Ong Lay Khiam. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:-

- to review and recommend the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent;
- to make plans for succession, in particular for the Chairman of the Board and chief executive office; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

Report Of Corporate Governance

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:-

(i) at least half of directors shall be independent directors; and

(ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

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

The NC meets at least once a year. Under Article 93 of the Company's Articles, one third (1/3) of the Board is to retire by rotation and subject themselves to re-election by shareholders at every annual general meeting. Under Article 92 of the Company's Articles, any new Director so appointed by the Directors shall hold office only until the next annual general meeting of the Company, and shall be eligible for re-election. The NC recommended to the Board that all the Directors of the Company be nominated for re-election at the forthcoming annual general meeting ("**AGM**") pursuant to Article 92 of the Company's Articles.

Mr Ong Lay Khiam will, upon re-election as Director of the Company, remain as the Chairman of NC and a member of AC. Mr Siew Teng Kean will, upon re-election as a Director of the Company, remain as the Chairman of the AC and RC. Mr Teo Cheng Hiang Richard will, upon re-election as a Director of the Company, remain as a member of the NC and RC. Mr Wong Ong Ming Eric will, upon re-election as a Director of the Company, remain as a member of the AC and RC. Dr Jong Hee Sen will, upon re-election as a Director of the Company, remain as a member of the NC. Mr Ong Lay Khiam, Dr Jong Hee Sen and Mr Teo Cheng Hiang Richard have abstained from making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of their own performance or re-election as a Director of the Company.

In making the recommendations, the NC had considered the Directors' overall contributions and performance.

The dates of appointment and directorships of the Directors in other listed companies are set out below:

Name of Director	Date of Appointment to IHC	Directorships in Other Listed Companies	
		Present	Last Three Years
Dr Jong Hee Sen	18 February 2013	–	Healthway Medical Corporation Limited
Yip Yuen Leong	18 February 2013	–	–
Wong Ong Ming Eric	17 May 2013	–	–
Siew Teng Kean	17 May 2013	–	Healthway Medical Corporation Limited
Ong Lay Khiam	17 May 2013	Tiong Seng Holdings Limited	–
Teo Cheng Hiang Richard	17 May 2013	Viva Industrial Trust	–

Further details of the Directors (including principal commitments) can be found on page 8 and 9 of this annual report.

Notwithstanding that some of the directors have multiple board representations, the Board is satisfied that each director is able to and has been adequately carrying out his duties as a director of the Company. Only two (2) Directors have other directorship in other listed companies and each of them holds only one other directorship. As such, the Board does not propose to set the maximum number of listed company board representations which directors may hold until such need arises. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Principle 5 : Board Performance

The NC decides on how the Board's, Board committees and individual Directors' performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board committees for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

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

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

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

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

All Directors are requested to complete a board evaluation questionnaire designed to seek their view on various aspects of the Board and individual Director's performance as described above. The Chairman, in consultation with the NC, will then act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory, the Board committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Principle 6 : Access to Information

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

The Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at the Board meetings. The Directors are also provided with the contact details of the senior management and the Company Secretaries to facilitate separate and independent access.

In furtherance of their duties, each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director of the Company.

The Company Secretaries and/or his/her representatives attend all Board meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act (Chapter 50) of Singapore, and the provisions in the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("Rules of Catalist") are complied with. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed either during Board and Board Committee meetings or by the Company Secretaries of these changes especially where these changes have an important bearing on the Directors' disclosure obligations.

Principle 7 : Procedures for Developing Remuneration Policies
Principle 8 : Level and Mix of Remuneration
Principle 9 : Disclosure on Remuneration

The RC comprises two (2) Independent Directors, namely Mr Siew Teng Kean and Mr Teo Cheng Hiang Richard and one (1) Non-Executive and Non-Independent Director, Mr Wong Ong Ming Eric. The Chairman of the RC is Mr Siew Teng Kean. The RC has written terms of reference that describe the responsibilities of its members.

The RC's principal responsibilities are to review and recommend to the Board a framework of remuneration for the Directors and executive officers, and to determine specific remuneration packages for the Executive Chairman and each Executive Director. The RC should cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The recommendations are submitted to the Board for endorsement.

The Independent Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. The fees are subject to approval by Shareholders at each annual general meeting. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company.

The Company had entered into separate service agreements dated 20 May 2013 as amended by separate supplemental letters dated 19 June 2013 with Dr Jong Hee Sen and Mr Yip Yuen Leong ("**Service Agreements**") for a period of three (3) years with effect from 1 July 2013.

The review of the remuneration of the executive officers takes into consideration the performance and the contributions of the officer to the Company and gives due regard to the financial and business performance of the Group of which performance conditions is not pre-determined. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

The Company adopts a remuneration policy that comprises a fixed as well as variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus. There are no termination, retirement or any post-employment benefits to Directors and key executives.

The Company does not have any employee share option scheme or other long-term employee incentive scheme.

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

The level and mix of the Directors' remuneration for the financial year ended 31 December 2013 ("**FY2013**") are set out below:

Name of Director	Fee %	Salary# %	Bonus %	Benefits* %	Total %
Executive Directors					
Below S$250,000					
Dr Jong Hee Sen	–	97.96	–	2.04	100
Yip Yuen Leong	–	96.58	–	3.42	100
Wong Ong Ming Eric	100	–	–	–	100
Siew Teng Kean	100	–	–	–	–
Ong Lay Khiam	100	–	–	–	–
Teo Cheng Hiang Richard	100	–	–	–	–

Notes:-

These fees are accounted with effect from 1 July 2013.

* Other benefits include mainly employers' contributions to the Central Provident Fund and transport allowances, accounted with effect from 1 July 2013.

Annual remuneration of top 5 key executives who are not Directors or the CEO in remuneration bands of S$250,000 for FY2013 are set out below:

	Number of employees
S$250,000 to S$499,999	–
Below S$250,000	5

The Code recommends that the name and remuneration (with breakdown) of at least the top five (5) key executives who are not Directors or CEO be disclosed within the bands of S$250,000. However, the Board is of the opinion that the details of the individual key executives and their remuneration, and the aggregate remuneration paid to them are confidential and full disclosure of such information would not be in the interest of the Company.

No employee of the Company and its subsidiaries was an immediate family member of a Director and whose remuneration exceeded S$50,000 in FY2013.

Principle 10 : Accountability

The announcements for the quarterly, half-year and full-year financial results are released via the SGXNET. All material information relating to the Company is disseminated via SGXNET.

The Board ensures that the Management maintains a sound system of internal controls to safeguard the Shareholders' investment and the Group's assets.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations on a monthly basis. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making.

Principle 11 : Risk Management and Internal Controls

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

The Board has received assurance from the Executive Chairman and Group President, and the Group Financial Controller (a) that the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 December 2013 give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are effective (the "Assurance").

Based on the internal controls established and maintained by the Group, work performed by the internal auditor as part of the Company's pre-IPO internal audit and external auditors, reviews performed by the Management and various Board Committees and the Assurance received, the Board, with the concurrence of the AC, are of the opinion that, the Group's internal controls addressing the financial, operational, compliance and information technology controls risks, and risk management systems of the Group were adequate as at 31 December 2013.

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

Principle 12 : Audit Committee

The AC, which has written terms of reference clearly setting out its authority and duties, is made up of two (2) Independent Directors, namely Mr Siew Teng Kean and Mr Ong Lay Khiam and one (1) Non-Executive and Non-Independent Director namely Mr Wong Ong Ming Eric. The Chairman of the AC is Mr Siew Teng Kean. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties.

The AC schedules a minimum of four (4) meetings in each financial year. The meetings are held, inter alia, for the following purposes:-

– to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to the Management and the Management's response;

– to review the quarterly, half year and full year financial statements including balance sheet and profit and loss accounts, before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Rules of Catalist and any other relevant statutory or regulatory requirements;

– to review the internal control procedures and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and full year audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);

– to review the independence of the external auditors;

– to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- to consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

- to review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalist;

- to undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- generally undertake such other functions and duties as may be required by statute or the Rules of Catalist, or by such amendments as may be made thereto from time to time.

In addition, the AC is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof.

The AC meets with the external and internal auditors, without the presence of Management, at least annually, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors. The AC has reasonable resources to enable it to discharge its functions properly.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2013 are as follows:-

Audit fees	:	S$335,000
Non-audit fees	:	Nil
Total	:	S$335,000

The AC will review the independence of the external auditors annually. Following the AC's review of the independence of PricewaterhouseCoopers LLP ("PwC") and in the AC's opinion, PwC is suitable for re-appointment and it has accordingly recommended to the Board that PwC be nominated for re-appointment as auditors of the Company at the forthcoming AGM.

The external auditors present to the AC the audit plan and also relevant updates relating to any change of accounting standards which have a direct impact on financial statements before an audit commences.

Certain subsidiaries of the Company were audited by different auditors as disclosed in Note 18 to the financial statements in this annual report. The Board and AC have considered this and are satisfied that the appointment of different auditing firms would not compromise the standard and effectiveness of the audit of the Company by the Company's auditor, PwC based on the adequacy of resources and experience of the other auditors. Therefore, Rule 712 and Rule 716 of the Rules of Catalist has been complied with by the Company.

Whistle-blowing Policy

The AC has put in place a whistle-blowing Policy, whereby employees of the Group or any other persons may in confidence, raise concerns about possible improper financial reporting or other matters to Mr Siew Teng Kean, the AC Chairman. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can be lodged to the Company Secretary in writing to the registered address of the Company Secretary. The Company Secretary has been tasked to forward any such reports to the AC Chairman, Mr Siew Teng Kean.

Principle 13: Internal Audit

The AC is aware of the need to establish a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Group has therefore appointed Messrs LMS Consulting, a professional firm to undertake the functions of an internal auditor.

The scope of the internal audit is:-

– to review the effectiveness of the Group's material internal controls;

– to provide assurance that key business and operational risks are identified and managed;

– to determine that internal controls are in place and functioning as intended; and

– to evaluate that operations are conducted in an effective and efficient manner.

During FY2013 in connection with the IPO of the Company, a pre-IPO internal audit was conducted by PwC. Following the IPO, the Company has outsourced its internal audit function to LMS Consulting who reports directly to the AC. LMS Consulting will commence their internal audit of the Company in the financial year ending 31 December 2014. The internal auditors support the AC in their role to access the effectiveness of the Group's overall system of operational and financial controls. To ensure the adequacy of the internal audit function, the AC will review and approve the internal audit plan on an annual basis. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group.

Principle 14 : Shareholder Rights
Principle 15 : Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the Rules of Catalist, the Company has issued additional announcements and press releases to update Shareholders on the activities of the Company and the Group in FY2013.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

The annual general meeting ("AGM") of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the Company's annual report and notice of annual general meeting. At the annual general meeting, Shareholders will be given the opportunity and time to air their views and ask the Directors or the Management questions regarding the Company.

The Chairmen of the AC, RC and NC as well as the external auditors will be present and on hand to address all issues raised at the annual general meeting.

Shareholders, investors or analysts may also send their queries or concerns to the Company's Investor Relations (IR) team, whose contact details can be found on the Company's website.

The Company will consider use of other forums such as analyst briefings as and when applicable.

The Articles of the Company allow members of the Company to appoint not more than two (2) proxies to attend and vote on their behalf at a general meeting.

Separate resolutions are proposed at general meetings for each distinct issue.

The Company does not have a dividend policy. The Board has not recommended any dividend for FY2013 as the Board wants to ensure that the Company has adequate resources for the expansion plan and to respond to any adverse changes in the macroeconomics environments.

Dealing in Securities

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

The Company prohibits its officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three (3) quarters and one (1) month before the announcement of the Company's full year financial results, as the case may be, and ending on the date of the announcement of the relevant financial results. They are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

Interested Person Transactions

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

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

The aggregate value of all Interested Person Transactions entered into for the financial year ended 31 December 2013 pursuant to Rule 907 of the Rules of Catalist are as tabulated hereunder:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 907)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 907 (excluding transactions less than $100,000)
Healthway Medical Development (Private) Limited – Corporate fee charged to Healthway Medical Development (Private) Limited and its subsidiaries	S$204,500	Not applicable

Other than the above and the Restructuring Exercise and interested person transactions as disclosed on pages 103 and 104 and pages 171 and 174 of the offer document dated 1 July 2013 respectively, there were no other interested person transactions of S$100,000 and above during the financial period under review.

The Group does not have a general mandate from shareholders for the recurrent interested person transactions.

Material Contracts and Loans

Pursuant to Rule 1204(8) of the Rules of Catalist, the Company confirmed that except as disclosed in the Report of Directors and Financial Statements of this Annual Report and the offer document of the Company dated 1 July 2013, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2013 or if not then subsisting, which were entered into since the end of the previous financial year.

Risk Management

The Management frequently reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Company's policies and strategies. The significant risk management policies are as disclosed in the audited financial statements.

Use of Proceeds from Placement of Shares

As at the date of this report, the net proceeds of S$22.7 million raised by the Company from the placement of shares pursuant to the offer document dated 1 July 2013 have been utilised as follows:-

	Amount allocated (as disclosed in the offer document dated 1 July 2013)	**Amount utilised as at the date of this Report**	**Balance of net proceeds as at the date of this Report**
	S$'000	S$'000	S$'000
Development and redevelopment of our existing projects	10,000	10,000	–
Acquisition of our pending projects	8,000	8,000	–
Purchase and/or upgrade of medical equipment	500	–	500
Working capital [(1)]	4,230	4,230	–
	22,730	22,230	500

Notes:
(1) Amount for working capital has been utilised for the repayment of short term borrowings and interest expense.

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the offer document dated 1 July 2013.

Sponsor Fees

The amount of non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2013 was S$1,288,400, for acting as issue manager, sponsor and joint placement agent in relation to the Company's IPO.

Directors' Report
For the financial year ended 31 December 2013

The directors present their report to the members together with the audited consolidated financial statements of International Healthway Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2013 and the balance sheet of the Company as at 31 December 2013.

Directors

The directors of the Company in office at the date of this report are as follows:

Dr Jong Hee Sen	Executive Chairman (appointed on 18 February 2013)
Yip Yuen Leong	Executive Director (appointed on 18 February 2013)
Wong Ong Ming Eric	Non-Executive Director (appointed on 17 May 2013)
Siew Teng Kean	Lead Independent Director (appointed on 17 May 2013)
Ong Lay Khiam	Independent Director (appointed on 17 May 2013)
Teo Cheng Hiang Richard	Independent Director (appointed on 17 May 2013)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2013	**At 18.02.2013 (date of incorporation) or date of appointment if later**	**At 31.12.2013**	**At 18.02.2013 (date of incorporation) or date of appointment if later**
The Company				
(Number of ordinary shares)				
Dr Jong Hee Sen	22,839,401	–	134,998,154	–
Yip Yuen Leong	2,221	–	–	–
Wong Ong Ming Eric	31,000	–	68,000	–
Siew Teng Kean	127,827	–	–	–
Ong Lay Khiam	–	–	16,458	–
Teo Cheng Hiang Richard	18,614	–	–	–

There was no change in any of the above mentioned interests between the end of the financial year and 21 January 2014.

Directors' Report
For the financial year ended 31 December 2013

Directors' contractual benefits

Since 18 February 2013 (date of incorporation), no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that Dr Jong Hee Sen and Yip Yuen Leong have employment relationships with a subsidiary of the Company and have received remuneration in that capacity.

Share options

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

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

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors,

Dr Jong Hee Sen
Executive Chairman

Yip Yuen Leong
Director

4 April 2014

Statement By Directors

For the financial year ended 31 December 2013

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 29 to 87 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended, and

(b) 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.

On behalf of the directors,

Dr Jong Hee Sen Executive Chairman	Yip Yuen Leong Director

4 April 2014

Independent Auditor's Report

To the members of International Healthway Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of International Healthway Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 29 to 87, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2013, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

4 April 2014

Consolidated Statement Of Comprehensive Income

For the financial year ended 31 December 2013

	Note	2013 S$'000	2012 S$'000
Revenue	5	**31,315**	–
Cost of sales	6	**(16,381)**	–
Gross profit		**14,934**	–
Other income - net	8	**57,751**	6,592
Administrative expenses	6	**(12,994)**	(82)
Finance expense	9	**(8,250)**	(313)
Profit before tax		**51,441**	6,197
Income tax expense	10	**(6,892)**	–
Profit after tax		**44,549**	6,197
Other comprehensive loss:			
Currency translation differences arising from consolidation		**(1,829)**	(11)
Total comprehensive income		**42,720**	6,186
Profit attributable to:			
Equity holders of the Company		**44,470**	6,197
Non-controlling interests		**79**	–
		44,549	6,197
Total comprehensive income attributable to:			
Equity holders of the Company		**42,360**	6,186
Non-controlling interests		**360**	–
		42,720	6,186
Earnings per share attributable to equity holders of the Company (expressed in cents per share)			
Basic and diluted earnings per share	11	**2.94**	0.44

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Group
As at 31 December 2013

	Note	2013 S$'000	2012 S$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**35,272**	69
Trade and other receivables	13	**16,642**	11,563
Other current assets	14	**362**	2,456
Inventories	15	**729**	–
		53,005	14,088
Non-current assets			
Intangible assets	16	**43,121**	–
Lease prepayments	17	**12,506**	–
Investment properties	19	**216,736**	–
Investment properties under development	20	**82,294**	46,000
Property, plant and equipment	21	**6,462**	–
Other assets	22	**–**	441
		361,119	46,441
Total assets		**414,124**	60,529
LIABILITIES			
Current liabilities			
Trade and other payables	23	**13,441**	12,586
Income tax liabilities	10(b)	**916**	–
Borrowings	24	**9,664**	–
		24,021	12,586
Non-current liabilities			
Trade and other payables	23	**7,131**	–
Borrowings	24	**213,696**	36,800
Deferred tax liabilities	26	**6,303**	–
		227,130	36,800
Total liabilities		**251,151**	49,386
NET ASSETS		**162,973**	11,143
EQUITY			
Share capital	27	**176,429**	5,001
Currency translation reserve		**(2,147)**	(37)
Merger reserve	28	**(66,102)**	–
Statutory surplus reserve	28	**253**	–
Retained earnings		**50,396**	6,179
		158,829	11,143
Non-controlling interests		**4,144**	–
Total equity		**162,973**	11,143

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Company

As at 31 December 2013

	Note	2013 S$'000
ASSETS		
Current assets		
Cash and cash equivalents	12	**3,770**
Trade and other receivables	13	**106,252**
Other current assets	14	**57**
		110,079
Non-current assets		
Investment in subsidiaries	18	**71,754**
Property, plant and equipment	21	**27**
		71,781
Total assets		**181,860**
LIABILITIES		
Current liabilities		
Trade and other payables	23	**3,003**
Borrowings	24	**1,244**
Other liabilities	25	**308**
		4,555
Non-current liabilities		
Borrowings	24	**4,509**
Other liabilities	25	**195**
		4,704
Total liabilities		**9,259**
NET ASSETS		**172,601**
EQUITY		
Share capital	27	**176,429**
Accumulated loss		**(3,828)**
Total equity		**172,601**

Consolidated Statement Of Changes In Equity

For the financial year ended 31 December 2013

	Note	Share capital S$'000	Currency translation reserve S$'000	Merger reserve S$'000	Statutory surplus reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
		Attributable to equity holders of the Company							
2013									
Beginning of financial year		5,001	(37)	–	–	6,179	11,143	–	11,143
Issue of shares at date of incorporation of the Company		–*	–	–	–	–	–*	–	–*
Issue of shares and effect of adjustments pursuant to Restructuring Exercise	2	84,020	–	(66,102)	–	–	17,918	–	17,918
Issue of shares pursuant to acquisition of subsidiaries		54,401	–	–	–	–	54,401	3,660	58,061
Disposal of equity interest in a subsidiary	12	–	–	–	–	–	–	124	124
Issue of shares pursuant to IPO	27	28,088	–	–	–	–	28,088	–	28,088
Issue of shares pursuant to payment of professional fees	27	6,236	–	–	–	–	6,236	–	6,236
Share issue expenses	27	(1,317)	–	–	–	–	(1,317)	–	(1,317)
Profit for the year		–	–	–	–	44,470	44,470	79	44,549
Other comprehensive loss									
Currency translation differences		–	(2,110)	–	–	–	(2,110)	281	(1,829)
Transfer to Statutory surplus reserve		–	–	–	253	(253)	–	–	–
End of financial year		176,429	(2,147)	(66,102)	253	50,396	158,829	4,144	162,973

	Share capital S$'000	Currency translation reserve S$'000	Merger reserve S$'000	Statutory surplus reserve S$'000	Retained earnings/ (Accumulated losses) S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
	Attributable to equity holders of the Company							
2012								
Beginning of financial year	5,001	(26)	–	–	(18)	4,957	–	4,957
Profit for the year	–	–	–	–	6,197	6,197	–	6,197
Other comprehensive loss								
Currency translation differences	–	(11)	–	–	–	(11)	–	(11)
End of financial year	5,001	(37)	–	–	6,179	11,143	–	11,143

*Amount less than S$1,000

Consolidated Statement Of Cash Flows

For the financial year ended 31 December 2012

	Note	2013 S$'000	2012 S$'000
Cash flows from operating activities			
Profit after tax		**44,549**	6,197
Adjustments for:			
- Income tax expense		**6,892**	–
- Depreciation of property, plant and equipment		**750**	–
- Amortisation of lease prepayments		**291**	–
- Loss on disposal of property, plant and equipment		**9**	–
- Impairment loss on trade receivables		**138**	–
- Gain on disposal of a subsidiary		**(369)**	–
- Interest income		**(367)**	(313)
- Interest expense		**8,250**	313
- Fair value gain on investment properties		**(31,178)**	–
- Fair value gain on investment properties under development		**(22,352)**	(6,554)
- Expenses settled in shares		**1,580**	–
- Foreign currency translation differences		**10,585**	159
		18,778	(198)
Changes in working capital			
- Inventories		**36**	–
- Trade and other receivables		**(7,235)**	3
- Other current assets		**(345)**	–
- Trade and other payables		**17,364**	766
Cash generated from operations		**28,598**	571
Interest paid		**(6,377)**	(449)
Income tax paid		**(340)**	–
Net cash provided by operating activities		**21,881**	122
Cash flows from investing activities			
Acquisition of investment properties		**(198,547)**	–
Acquisition of/additions to investment properties under development		**(15,061)**	(31,900)
Tender deposit refunded/(placed) for purchase of an asset		**2,456**	(2,456)
Purchase of property, plant and equipment		**(1,719)**	–
Additions to other assets		**–**	(441)
Net cash inflow from acquisition of subsidiaries	33	**1,901**	–
Net cash outflow from disposal of a subsidiary	12	**(3)**	–
Interest received		**5**	–
Net cash used in investing activities		**(210,968)**	(34,797)
Cash flows from financing activities			
Amount due from related parties (net)		**15,993**	686
Proceeds from borrowings		**225,879**	34,050
Repayment of borrowings		**(40,310)**	–
Proceeds from issuance of shares		**28,088**	–
Share issue expenses paid		**(5,358)**	–
Increase in bank deposits pledged		**(3,750)**	–
Capital contribution by former holding company		**–***	–
Net cash provided by financing activities		**220,542**	34,736
Net increase in cash and cash equivalents		**31,455**	61
Cash and cash equivalents at beginning of financial year		**69**	8
Effects of currency translation on cash and cash equivalents		**(2)**	–*
Cash and cash equivalents at end of financial year	12	**31,522**	69

*Amount less than S$1,000

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements

For the financial year ended 31 December 2013

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

1. General information

International Healthway Corporation Private Limited (the "Company") was incorporated in the Republic of Singapore on 18 February 2013 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "Group"), were formed pursuant to a restructuring exercise prior to the initial public offering ("IPO") and listing on Catalist of the SGX-ST ("Catalist") (refer to Note 2). On 30 May 2013, the Company was converted into a public limited company and changed its name from "International Healthway Corporation Private Limited" to "International Healthway Corporation Limited".

The Company was admitted to the Catalist on 8 July 2013. For the purpose of these financial statements, the results of the Group for the financial year ended 31 December 2013 and the comparative results of the Group for the financial year ended 31 December 2012 have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 January 2012.

There are no comparative figures for the Company at 31 December 2012 as the Company was incorporated on 18 February 2013.

The registered office of the Company is located at 2 Leng Kee Road, #04-10A, Thye Hong Centre, Singapore 159086.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as disclosed in Note 18 to the financial statements.

2. Restructuring Exercise

On 29 May 2013, as part of the restructuring exercise, Healthway Medical Development (Private) Limited ("HMD") transferred all the issued and paid up share capital of the following subsidiaries (the "Subsidiaries") to the Company at a consideration of S$89,021,000, which is entirely satisfied by issuance of shares of the Company (the "Restructuring Exercise"). An amount of S$17,918,000 due to HMD had been waived as part of the Restructuring Exercise.

2. Restructuring Exercise (continued)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest held
IHC KLCC Investment Pte. Ltd. *(Formerly known as Healthway Medical Centre (KLCC) Pte. Ltd.)*	Investment holding	Singapore	100
IHC Wuxi Hospital Pte. Ltd. *(Formerly known as Golden Summit Development Pte. Ltd.)*	Investment holding	Singapore	100
IHC Chengdu Women and Child Hospital Pte. Ltd. *(Formerly known as SBCC Women and Child Hospital Pte. Ltd.)*	Investment holding	Singapore	100
IHC Medical Assets Pte. Ltd. *(Formerly known as Healthway Medical Assets Pte. Ltd.)*	Investment holding	Singapore	100
IHC Japan Medical Facilities Pte. Ltd.	Investment holding	Singapore	100
IHC Seasons Residences Sdn. Bhd. *(Formerly known as Seasons Residences Sdn. Bhd.)*	Development of and investment in properties	Malaysia	100
IHC Star Limited *(Formerly known as HMD Star Limited)*	Investment holding	British Virgin Islands	100
IHC Peak Limited *(Formerly known as HMD Peak Limited)*	Investment holding	British Virgin Islands	100
IHC Summit Limited *(Formerly known as HMD Summit Limited)*	Investment holding	British Virgin Islands	100
IHC Medical Facilities (HK) Limited *(Formerly known as Healthway Medical Facilities (HK) Limited)*	Investment holding	Hong Kong	100
IHC Medical Services (HK) Limited *(Formerly known as Healthway Medical Services (HK) Limited)*	Investment holding	Hong Kong	100
IHC Medical Assets (HK) Limited *(Formerly known as Healthway Medical Assets (HK) Limited)*	Investment holding	Hong Kong	100
Kang Hui (Chengdu) Assets Co., Ltd.	Development of and investment in properties	People's Republic of China	100
IHC Japan One ISH	Investment holding	Japan	50
IHC Japan 1 GK	Investment holding	Japan	100
IHC Japan First TMK	Investment in properties	Japan	62.50[(a)]
Health Kind International Limited	Investment holding	Hong Kong	76.50
Health Kind (Shanghai) International Co., Ltd.	Investment holding	People's Republic of China	74.97
Wuxi New District Phoenix Hospital Co., Ltd.	Operation of a general hospital	People's Republic of China	74.97
Health Kind International (Wuxi) Health Management Co., Ltd.	Operation of a health assessment centre	People's Republic of China	74.97

Note:

(a) IHC Japan Medical Facilities Pte. Ltd. owns directly and indirectly 100% of the preferred shares in IHC Japan First TMK. IHC Japan Medical Facilities Pte. Ltd. and IHC Japan One ISH as common shareholders of IHC Japan First TMK have waived their rights to receive the economic benefits of IHC Japan First TMK. Under Japanese laws, as the common shareholders have waived their rights to receive economic benefits of IHC Japan First TMK, IHC Japan Medical Facilities Pte. Ltd. is entitled to the full economic benefit of IHC Japan First TMK via its direct and indirect ownership of 100% of the preferred shares in IHC Japan First TMK, notwithstanding that IHC Japan Medical Facilities Pte. Ltd. does not have full beneficial ownership of IHC Japan First TMK.

2. Restructuring Exercise (continued)

The Restructuring Exercise has been accounted for as a capital reorganisation as the entities transferred were managed as part of the existing group prior to the Restructuring Exercise. Accordingly, the comparative figures of the Group for the financial year ended 31 December 2012 are presented as follows:

(i) The combined balance sheet of the Group as at 31 December 2012 and the combined statements of comprehensive income, the combined statements of changes in equity and the combined cash flow statements of the Group for the financial year ended 31 December 2012 have been prepared as if the Company had been the holding company of the Group throughout the financial year ended 31 December 2012 rather than from the date on which the Restructuring Exercise was completed.

(ii) The assets and liabilities of the Subsidiaries as at 31 December 2012 are brought into the Group's books based on their existing carrying values in their respective financial statements as at 31 December 2012. No adjustment was made to the carrying values of those assets and liabilities as consistent accounting policies have been applied.

(iii) The share capital of the Group would reflect the share capital of the Company on the date had the Restructuring Exercise been completed on 31 December 2012. The retained earnings/accumulated losses of the Group will be the combined retained earnings/accumulated losses of the Subsidiaries. The resulting difference between the deemed cost of acquiring the Subsidiaries and the combined equity of the Subsidiaries is recognised separately as a component of reserve.

(iv) All significant intra-group transactions and balances have been eliminated on combination.

3. Significant accounting policies

3.1 Basis of accounting

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement, or complexity, or areas where estimates and assumptions are significant to the financial statements is disclosed in Note 4.

Interpretations and amendments to published standards effective in 2013

On 1 January 2013, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

3. Significant accounting policies (continued)

3.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services

Revenue from hospital and other healthcare services is recognised in the period in which the services are rendered.

(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 lease term.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.3 Group accounting

Subsidiaries

(a) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Notes To The Financial Statements

For the financial year ended 31 December 2013

3. Significant accounting policies (continued)

3.3 Group accounting (continued)

Subsidiaries (continued)

(b) *Acquisitions*

Other than the acquisition undertaken through the Restructuring Exercise as described in Note 2, the acquisition method of accounting is used to account for business combinations 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 the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement 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.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess 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 the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to Note 3.5 "Intangible assets – Goodwill on Acquisition" for the accounting policy on goodwill subsequent to initial recognition.

(c) *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 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 the paragraph "Investments in subsidiaries" for accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(d) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

3. Significant accounting policies (continued)

3.4 Property, plant and equipment

(a) Measurement

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price, capitalized borrowing costs 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.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	35 years
Office renovations, furniture, fixtures and equipment	3 – 8 years
Medical equipments	8 years
Motor vehicles	5 years

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 Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income - net". Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

3.5 Intangible assets

Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 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 previously-held equity interest in the acquiree over (ii) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

Notes To The Financial Statements
For the financial year ended 31 December 2013

3. Significant accounting policies (continued)

3.5 Intangible assets (continued)

Goodwill on acquisitions (continued)

Goodwill on acquisition of subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

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

3.6 Lease prepayments

Lease prepayments represent prepaid operating lease payments for land less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the prepaid operating lease payments for land use rights over a period of 50 years.

3.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the investment properties under development.

3.8 Investment properties and investment properties under development

Investment properties (including those under development) are properties held for long-term rental yields and/or for capital appreciation. Investment properties include land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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

3.9 Investments in subsidiaries

Investments in subsidiaries, joint ventures and associated companies 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 recognized in profit or loss.

3. Significant accounting policies (continued)

3.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is 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, 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 allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

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

(b) *Lease prepayments*
Property, plant and equipment
Investment in subsidiaries

Lease prepayments, property, plant and equipment and investment in subsidiaries 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 cash-generating-unit ("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 other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

3. Significant accounting policies (continued)

3.11 Loans and receivables

Bank balances
Trade and other receivables

Bank balances and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

3.12 Financial guarantees

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

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks and the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks and the financial institutions in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

3.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.14 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.

Borrowings are derecognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. Significant accounting policies (continued)

3.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

3.16 Leases

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

The Group leases office space under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents, if any, are recognised as an expense in profit or loss when incurred.

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

The Group leases investment properties under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents, if any, are recognised as income in profit or loss when earned.

3.17 Inventories

Inventories comprising pharmacy, medical and surgical supplies are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bring the inventories to their present location and conditions. Allowance is made for all damaged, expired and slow moving items.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3. Significant accounting policies (continued)

3.18 Income taxes

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.

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, 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 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 except for investment properties. Investment properties measured at fair value is presumed to be recovered entirely through sale.

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 on acquisition.

3.19 Provisions

Provisions 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 amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

3. Significant accounting policies (continued)

3.20 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 compensated absences*

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.

3.21 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.

(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 translation 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.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other operating income".

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.

3. Significant accounting policies (continued)

3.21 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

3.22 Segment reporting

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

3.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

3.24 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.

3.25 Dividends to Company's shareholders

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

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value estimation of investment properties and investment properties under development

Investment properties and investment properties under development are stated at fair value based on valuations performed by independent professional valuers. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach and/or discounted cash flows, where appropriate.

The fair value of investment properties and investment properties under development amounts to approximately S$216,736,000 (2012: Nil) and S$82,294,000 (2012: S$46,000,000) respectively.

(b) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Lease prepayments and property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, CGU, have been determined based on value-in-use calculations. These calculations require the use of estimates such as expected cash flows resulting from operating margin and expenses, discounting rate and growth rate (Note 16 (a)).

The carrying amount of goodwill arising on consolidation as at 31 December 2013 was S$43,121,000. If the management's estimated pre-tax discount rate applied to the discounted cash flows at 31 December 2013 is increased by 1.2% and the terminal growth rate applied to the discounted cash flows at 31 December 2013 is decreased by 1%, the recoverable amount will still be in excess of the carrying amount of goodwill in the CGU.

5. Revenue

	Group	
	2013	2012
	S$'000	S$'000
Healthcare services:		
Medical services	**19,888**	–
Rental income	**11,427**	–
	31,315	–

Notes To The Financial Statements

For the financial year ended 31 December 2013

6. Expenses by nature

	Group	
	2013	2012
	S$'000	S$'000
Purchases of inventories	**7,852**	–
Amortisation of lease prepayments	**291**	–
Depreciation of property, plant and equipment	**750**	–
Total amortisation and depreciation	**1,041**	–
Directors and employee compensation (Note 7)	**6,838**	–
Impairment loss on trade receivables	**138**	–
Advertising expense	**110**	–
Rental expense on operating lease	**103**	–
Medical consultancy fee	**2,034**	–
Legal and professional fee	**6,916**	35
Travelling expense	**193**	–
Utility expense	**266**	–
Repair and maintenance	**418**	–
Property tax	**979**	–
Insurance	**67**	–
Other expenses	**2,335**	47
Changes in inventories	**85**	–
Total cost of sales and administrative expenses	**29,375**	82

7. Directors and employee compensation

	Group	
	2013	2012
	S$'000	S$'000
Wages and salaries	**5,440**	–
Employer's contribution to pension funds	**913**	–
Other benefits	**324**	–
Directors' fee of the Company	**161**	–
	6,838	–

8. Other income - net

	Group	
	2013	2012
	S$'000	S$'000
Other income		
Interest income		
- Bank deposits	**5**	–
- Loan to a related company	**362**	313
Corporate service fee income	**205**	–
Guarantee fee income	**2,549**	–
Fair value gains on investment properties (Note 19)	**31,178**	–
Fair value gains on investment properties under development (Note 20)	**22,352**	6,554
Gain on disposal of a subsidiary	**369**	–
Profit guarantee income	**1,696**	–
	58,716	6,867
Other losses		
Currency translation loss – net	**(956)**	(275)
Loss on disposal of property, plant and equipment	**(9)**	–
	(965)	(275)
	57,751	6,592

9. Finance expense

	Group	
	2013	2012
	S$'000	S$'000
Interest expense		
- Borrowings	**9,689**	775
Less: Amount capitalised in investment properties under development	**(1,439)**	(462)
Finance expense recognised in profit or loss	**8,250**	313

Notes To The Financial Statements

For the financial year ended 31 December 2013

10. Income tax expense

(a) Income tax expense

	Group	
	2013	2012
	S$'000	S$'000
Tax expense attributable to the profit before tax is made up of:		
Current income tax		
- Foreign	**287**	–
Deferred income tax	**6,605**	–
	6,892	–

The income tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2013	2012
	S$'000	S$'000
Profit before tax	**51,441**	6,197
Tax calculated at a tax rate of 17%	**8,745**	1,053
Effects of:		
- different tax rates in other countries	**(770)**	1
- income not subject to tax	**(3,153)**	(1,114)
- expenses not deductible for tax purposes	**1,062**	–
- deferred tax assets not recognised in respect of current year's tax losses	**1,008**	60
Income tax expense	**6,892**	–

(b) Movement in income tax liabilities

	Group		Company
	2013	2012	**2013**
	S$'000	S$'000	**S$'000**
Beginning of financial year	**–**	–	**–**
Acquisition of subsidiaries (Note 33)	**908**	–	**–**
Income tax paid	**(340)**	–	**–**
Tax expense	**287**	–	**–**
Currency translation differences	**61**	–	**–**
End of financial year	**916**	–	**–**

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2013	2012
Profit attributable to equity holders of the Company (S$'000)	**44,470**	6,197
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,513,579**	1,420,000
Basic earnings per share (cents)	**2.94**	0.44

The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares outstanding as at each balance sheet date.

For illustrative purpose, the calculation of the basic and diluted earnings per share of the Group for the financial year ended 31 December 2012 was based on the post-Restructuring Exercise issued and paid-up ordinary share capital of 1,420,000,000 shares.

12. Cash and cash equivalents

	Group		Company
	2013	2012	**2013**
	S$'000	S$'000	**S$'000**
Cash on hand and at bank	**31,522**	69	**20**
Short-term bank deposits	**3,750**	–	**3,750**
	35,272	69	**3,770**

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

	Group	
	2013	2012
	S$'000	S$'000
Cash and bank balances (as above)	**35,272**	69
Less: Bank deposits pledged	**(3,750)**	–
	31,522	69

Bank deposits of S$3,750,000 (2012: Nil) are pledged in relation to the security granted for certain borrowings (Note 24(b)).

12. Cash and cash equivalents (continued)

Bank balances of S$10,891,000 (2012: Nil) are included as part of the floating charge to a third party for borrowings to a subsidiary of the Company (Note 24 (e)). This amount is included as part of the cash and cash equivalents as the utilization of these bank balances is not restricted.

Acquisition and disposal of subsidiaries

Please refer to Note 33 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

On 21 May 2013, the Company disposed of its entire interest in Health Kind International (Wuxi) Health Management Co., Ltd for a cash consideration of S$196,000. The effects of the disposal on the cash flows of the Group were:

	Group 2013 S$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	(3)
Trade and other receivables	(1)
Property, plant and equipment	(73)
Inventories	(5)
Total assets	(82)
Trade and other payables	379
Net liabilities derecognised	297
Less: Non-controlling interests	(124)
Net liabilities	173

The aggregate cash inflows arising from the disposal of Health Kind International (Wuxi) Health Management Co., Ltd were:

	Group 2013 S$'000
Consideration for disposal of subsidiary	196
Net liabilities disposed of	173
Gain on disposal	369
Consideration for disposal of subsidiary	196
Less: Cash proceeds from disposal yet to be received *	(196)
Less: Cash and cash equivalents in subsidiary disposed of	(3)
Net cash outflow on disposal	(3)

* As at 31 December 2013, the Group has not received the cash proceeds from the above disposal.

13. Trade and other receivables

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Trade receivables	**2,285**	–	**–**
Other receivables (Note (a))	**5,024**	–	**1,696**
Amount owing from related parties	**6,748**	11,563	**5,381**
Amount owing from subsidiaries	**–**	–	**99,175**
Consumption tax receivable - net	**2,585**	–	**–**
	16,642	11,563	**106,252**

Amount owing from related parties and subsidiaries are unsecured, interest-free and repayable on demand, except for a loan by the Company to a subsidiary of S$14,833,000, for which an interest rate of 14% was charged.

(a) An amount of S$2,133,000 (2012: Nil) is guaranteed by a shareholder of the Company.

14. Other current assets

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Deposits	**339**	2,456	**57**
Prepayments	**23**	–	**–**
	362	2,456	**57**

15. Inventories

	Group 2013 S$'000	Group 2012 S$'000
Pharmacy supplies	**681**	–
Medical and surgical supplies	**48**	–
	729	–

The cost of inventories recognised as an expense and included in "cost of sales" amounts to S$7,937,000 (2012: S$Nil).

16. Intangible assets

	Group	
	2013	2012
	S$'000	S$'000
Goodwill arising on consolidation (Note (a))	**43,121**	–

(a) Goodwill arising on consolidation

	Group	
	2013	2012
	S$'000	S$'000
Cost		
Beginning of financial year	**–**	–
Acquisition of subsidiaries (Note 33)	**43,121**	–
End of financial year	**43,121**	–

Impairment test for goodwill

Goodwill is wholly allocated to the Group's cash-generating unit ("CGU"), identified as Wuxi Hospital in the People's Republic of China (Note 33).

The recoverable amount of a CGU was determined based on 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 growth rates stated below. The growth rate did not exceed the long-term average growth rate for the component parts business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	China
2013	%
Gross margin [1]	32
Growth rate [2]:	
- from 2014 to 2018	15 - 26
- from 2019 to 2030	5
- terminal growth rate from 2031 to 2054	3
Discount rate [3]	13.75

1 Budgeted gross margin
2 Weighted average growth rate used to extrapolate cash flows
3 Pre-tax discount rate applied to the pre-tax cash flow projections

16. Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

These assumptions were used for the analysis of the Wuxi Hospital CGU. Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rate used was consistent with forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the relevant segment.

The carrying amount of goodwill arising on consolidation as at 31 December 2013 was S$43,121,000. If the management's estimated pre-tax discount rate applied to the discounted cash flows at 31 December 2013 is increased by 1.2% and the terminal growth rate applied to the discounted cash flows at 31 December 2013 is decreased by 1%, the recoverable amount will still be in excess of the carrying amount of goodwill in the CGU.

17. Lease prepayments

	Note	Group S$'000
Group		
2013		
Cost		
Beginning of financial year		–
Acquisition of subsidiaries	33	13,955
Currency translation differences		933
End of financial year		14,888
Accumulated amortisation		
Beginning of financial year		–
Acquisition of subsidiaries	33	1,954
Currency translation differences		137
Amortisation charge	6	291
End of financial year		2,382
Net book value		
End of financial year		**12,506**
2012		
Cost, Accumulated depreciation and Net book value		
Beginning and end of financial year		**–**

Lease prepayments represent the land use rights of a subsidiary which the Group acquired on 1 January 2013. The land use rights expire in 2055.

18. Investment in subsidiaries

	Company 2013 S$'000
Equity investments at cost	
Beginning of financial year	–
Acquisition of subsidiaries (Note 2)	71,103
Corporate guarantees issued for subsidiaries' borrowings	651
End of financial year	71,754

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest held 2013 %
Held by the Company			
IHC KLCC Investment Pte. Ltd. *(Formerly known as Healthway Medical Centre (KLCC) Pte. Ltd.)* [a]	Investment holding	Singapore	100
IHC Wuxi Hospital Pte. Ltd. *(Formerly known as Golden Summit Development Pte. Ltd.)* [a]	Investment holding	Singapore	100
IHC Chengdu Women and Child Hospital Pte. Ltd. *(Formerly known as SBCC Women and Child Hospital Pte. Ltd.)* [a]	Investment holding	Singapore	100
IHC Medical Assets Pte. Ltd. *(Formerly known as Healthway Medical Assets Pte. Ltd.)* [a]	Investment holding	Singapore	100
IHC Japan Medical Facilities Pte. Ltd. [a]	Investment holding	Singapore	100
Held by subsidiaries			
IHC Seasons Residences Sdn. Bhd. *(Formerly known as Seasons Residences Sdn. Bhd.)* [b]	Development of and investment in properties	Malaysia	100
Keystone Icons Sdn. Bhd. [f]	Development of and investment in properties	Malaysia	100
IHC Star Limited *(Formerly known as HMD Star Limited)* [c]	Investment holding	British Virgin Islands	100
IHC Peak Limited *(Formerly known as HMD Peak Limited)* [c]	Investment holding	British Virgin Islands	100
IHC Summit Limited *(Formerly known as HMD Summit Limited)* [c]	Investment holding	British Virgin Islands	100
IHC Medical Facilities (HK) Limited *(Formerly known as Healthway Medical Facilities (HK) Limited)* [d]	Investment holding	Hong Kong	100

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest held 2013 %
IHC Medical Services (HK) Limited *(Formerly known as Healthway Medical Services (HK) Limited)* [(d)]	Investment holding	Hong Kong	100
IHC Medical Assets (HK) Limited *(Formerly known as Healthway Medical Assets (HK) Limited)* [(d)]	Investment holding	Hong Kong	100
Kang Hui (Chengdu) Assets Co., Ltd. [(e)]	Development of and investment in properties	People's Republic of China	100
IHC Japan One ISH [(c)]	Investment holding	Japan	50
IHC Japan 1 GK [(c)]	Investment holding	Japan	100
IHC Japan First TMK [(g)]	Investment in properties	Japan	62.50*
Health Kind International Limited [(h)]	Investment holding	Hong Kong	76.50
Health Kind (Shanghai) International Co., Ltd. [(i)]	Investment holding	People's Republic of China	74.97
Wuxi New District Phoenix Hospital Co., Ltd. [(j)]	Operation of a general hospital	People's Republic of China	74.97
Healthkind Medical Holding Co., Ltd. [(f)]	Development of and investment in properties	People's Republic of China	76.50

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Audited by Roger Yue, Tan & Associates, Malaysia
(c) Not required to be audited under the laws of the country of incorporation
(d) Audited by Jimmy C H Cheung & Co, Hong Kong
(e) Audited by Shanghai Cong Xin Certified Public Accountants (General Partnership), People's Republic of China
(f) Incorporated during the financial year end and auditor had yet to be appointed
(g) Audited by PricewaterhouseCoopers, Japan
(h) Audited by Infinity Assurance HK Limited Certified Public Accountants, Hong Kong
(i) Audited by Shanghai Zhong Chuang Certified Public Accountants, People's Republic of China
(j) Audited by Wuxi Xin Cheng Certified Public Accountants, People's Republic of China

* IHC Japan Medical Facilities Pte. Ltd. owns directly and indirectly 100% of the preferred shares in IHC Japan First TMK. IHC Japan Medical Facilities Pte. Ltd. and IHC Japan One ISH as common shareholders of IHC Japan First TMK have waived their rights to receive the economic benefits of IHC Japan First TMK. Under Japanese laws, as the common shareholders have waived their rights to receive economic benefits of IHC Japan First TMK, IHC Japan Medical Facilities Pte. Ltd. is entitled to the full economic benefit of IHC Japan First TMK via its direct and indirect ownership of 100% of the preferred shares in IHC Japan First TMK, notwithstanding that IHC Japan Medical Facilities Pte. Ltd. does not have full beneficial ownership of IHC Japan First TMK.

19. Investment properties

	Group S$'000
2013	
Beginning of financial year	–
Additions	198,547
Fair value gain recognised in profit or loss	31,178
Currency translation differences	(12,989)
	216,736
2012	
Beginning and end of financial year	–

As at balance sheet date, the details of the investment properties, which are freehold, are as set out below:

Investment Property	Usage	Location
Varus Fujino	Skilled nursing facility	Hokkaido, Japan
Varus Ishiyama	Skilled nursing facility	Hokkaido, Japan
Varus Kotoni	Skilled nursing facility	Hokkaido, Japan
Varus Makomanai-Koen	Skilled nursing facility	Hokkaido, Japan
Varus Tsukisamu-Koen	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Yamanote	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Sapporo-Kita	Skilled nursing facility	Hokkaido, Japan
Elysion Gakuenmae	Skilled nursing facility	Nara, Japan
Elysion Mamigaoka / Elysion Mamigaoka Annex	Skilled nursing facility	Nara, Japan
Elysion Amanohashidate	Skilled nursing facility	Kyoto, Japan
Elysion Kaichi North	Skilled nursing facility	Nagano, Japan
Elysion Kaichi West	Skilled nursing facility	Nagano, Japan

Investment properties are leased to non-related parties under operating leases (Note 29(b)).

The following amounts are recognised in profit and loss:

	Group 2013 S$'000
Rental income (Note 5)	**11,427**
Direct operating expenses arising from:	
- Investment properties that generated rental income	**(1,031)**

All the investment properties are mortgaged to secure the TMK Bonds (Note 24(c)).

19. Investment properties (continued)

Fair value hierarchy

Description	Fair value measurements at 31 December 2013 using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant other observable inputs (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000
Fair value measurements			
Investment properties:			
- Skilled nursing facilities - Japan	–	–	216,736

Valuation techniques and inputs used to derive Level 3 fair values measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 31 Dec 2013 S$'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Skilled nursing facilities - Japan	216,736	Income Approach	Discount rate	5.8% - 6.4%	The higher the discount rate / terminal capitalisation rate, the lower the fair value
			Terminal Capitalisation rate	6.1% - 6.7%	

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2013, the fair values of the properties have been determined by Savills Japan Co., Ltd.

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20. Investment properties under development

	Group S$'000
2013	
Beginning of financial year	46,000
Additions	15,061
Fair value gain recognised in profit or loss (Note 8)	22,352
Currency translation differences	(1,119)
End of financial year	82,294
2012	
Beginning of financial year	–
Additions	420
Transferred from other assets (Note 22)	39,196
Fair value gain recognised in profit or loss (Note 8)	6,554
Currency translation differences	(170)
End of financial year	46,000

An investment property under development amounting to S$61,050,000 (2012: S$46,000,000) is mortgaged to secure bank borrowings (Note 24(d(i)), Note 24(d(ii)) and Note 24(d(iii)).

Fair value hierarchy

	Fair value measurements at 31 December 2013 using		
Description	**Quoted prices in active markets for identical assets (Level 1) S$'000**	**Significant other observable inputs (Level 2) S$'000**	**Significant unobservable inputs (Level 3) S$'000**
Fair value measurements			
Investment properties under development:			
- Land – Dujiangyan, Chengdu, China	–	–	21,244
- Land – Kuala Lumpur, Malaysia	–	–	61,050

20. Investment properties under development (continued)

Valuation techniques and inputs used to derive Level 3 fair values measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 31 December 2013 S$'000	Valuation technique(s)	Unobservable inputs	Range	Relationship of unobservable inputs to fair value
- Land – Dujiangyan, Chengdu, China	21,244	Direct Comparison	Price per square meter	S$428 - S$233	The higher the price per square meter, the higher the fair value
- Land – Kuala Lumpur, Malaysia	61,050	Direct Comparison	Price per square meter	S$13,779 - S$8,301	

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2013, the fair values of the land in China and Malaysia have been determined by DTZ Debenham Tie Leung Limited and Raine & Horne International Zaki + Partners Sdn. Bhd. respectively.

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21. Property, plant and equipment

	Note	Buildings S$'000	Office renovation, furniture, fixtures and equipment S$'000	Medical equipment S$'000	Motor vehicles S$'000	Total S$'000
Group						
2013						
Cost						
Beginning of financial year		–	–	–	–	–
Acquisition of subsidiaries	33	4,518	629	3,167	230	8,544
Currency translation differences		302	39	242	15	598
Additions		–	259	1,460	–	1,719
Disposals		–	(18)	(94)	–	(112)
Disposal of a subsidiary		–	(84)	(11)	–	(95)
End of financial year		4,820	825	4,764	245	10,654
Accumulated depreciation						
Beginning of financial year		–	–	–	–	–
Acquisition of subsidiaries	33	839	342	2,016	133	3,330
Currency translation differences		59	24	145	9	237
Depreciation charge	6	135	95	497	23	750
Disposals		–	(13)	(90)	–	(103)
Disposal of a subsidiary		–	(21)	(1)	–	(22)
End of financial year		1,033	427	2,567	165	4,192
Net book value						
End of financial year		**3,787**	**398**	**2,197**	**80**	**6,462**
2012						
Cost, Accumulated depreciation and Net book value						
Beginning and end of financial year		–	–	–	–	–

21. Property, plant and equipment (continued)

	Office renovation, furniture, fixtures and equipment	Total
	S$'000	S$'000
Company		
2013		
Cost		
Beginning of financial year	–	–
Additions	28	28
End of financial year	28	28
Accumulated depreciation		
Beginning of financial year	–	–
Depreciation charge	1	1
End of financial year	1	1
Net book value		
End of financial year	**27**	**27**

22. Other assets

	Group
	S$'000
2013	
Beginning of financial year	441
Write off during the year	(441)
End of financial year	–
2012	
Beginning of financial year	7,716
Additions	31,921
Transferred to investment properties under development (Note 20)	(39,196)
End of financial year	441

Other assets consists mainly of down payments made for the acquisition of properties and/or the capitalization of the related costs incurred. During the financial year ended 31 December 2013, S$441,000 had been written off.

23. Trade and other payables

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Current			
Trade payables	**4,348**	294	**–**
Other payables	**2,133**	341	**73**
Amount owing to related parties	**2,395**	11,951	**–**
Amount owing to subsidiaries	**–**	–	**2,507**
Accrued expenses	**3,217**	–	**423**
Deferred revenue	**1,334**	–	**–**
Advances received from patients	**14**	–	**–**
	13,441	12,586	**3,003**
Non-current			
Rental deposit received in advance	**5,661**	–	**–**
Deferred rental income	**1,470**	–	**–**
	7,131	–	**–**
Total trade and other payables	**20,572**	12,586	**3,003**

Amounts owing to related parties and subsidiaries are unsecured, interest-free and repayable on demand.

The fair value of rental deposit received in advance is estimated to approximate its carrying value, which is determined from the cumulative deposit received and discounted at 2.54%.

24. Borrowings

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Current			
Loan from a third party (Note (a))	**2,750**	–	**–**
Loans from financial institutions (Note (b))	**1,892**	–	**1,244**
TMK Bonds (Note (c))	**3,976**	–	**–**
Bank Borrowings (Note (d))	**1,046**	–	**–**
	9,664	–	**1,244**
Non-current			
Loans from third parties (Note (e))	**36,120**	–	**–**
Loans from financial institutions (Note (b))	**5,460**	–	**4,509**
TMK Bonds (Note (c))	**148,135**	–	**–**
Bank Borrowings (Note (d))	**23,981**	22,800	**–**
Loan from a shareholder (Note (a))	**–**	14,000	**–**
	213,696	36,800	**4,509**
Total borrowings	**223,360**	36,800	**5,753**

24. Borrowings (continued)

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company
	2013	2012	2013
	S$'000	S$'000	S$'000
6 months or less	**29,526**	22,800	**5,753**
6 - 12 months	**–**	–	**–**
Over 1 year	**–**	–	**–**
	29,526	22,800	**5,753**

The remaining borrowings are at fixed rates and hence not exposed to interest rate changes.

Total borrowings include secured liabilities of S$221,060,000 (2012: S$36,800,000) and S$5,753,000 of the Group and the Company respectively.

(a) Loan from a third party - current

As at 31 December 2012, a subsidiary of the Company had drawn down an amount of S$14,000,000 loan from a facility of S$20,000,000 granted by a shareholder of the Company (the "Lender") in relation to the Group's development in Kuala Lumpur (the "KLCC Project") and acquisition of a property by a related party in Shanghai, People's Republic of China (the "Shanghai Project"). The loan carried an interest rate of 8% per annum and repayable on 13 June 2014. In addition, the subsidiary agreed to pay the Lender a sum equivalent to 7.5% of the profit made in relation to the KLCC Project or the Shanghai Project, whichever was higher, subject to a minimum of MYR4,500,000 (the "Lender's Share"). The Lender's Share was computed by the taking the respective fair values as determined by independent professional valuers less the respective project expenditures.

On 28 May 2013, a supplemental agreement was entered into between the subsidiary and the Lender where S$11,250,000 of the loan was novated to a related party. The Lender's Share has been removed as part of the supplemental agreement.

Subsequent to the listing of the Company during the year ended 31 December 2013, the Lender ceased to be a shareholder of the Company.

24. **Borrowings** (continued)

(a) Loan from a third party - current (continued)

(i) *Conversion*

The Lender is entitled to convert the loan into residential/office units ("real estate units") under the KLCC Project and it may exercise the conversion rights by issuing the conversion notice on the following dates:

a. First conversion date i.e. the launch date of the real estate units

A sum of up to 50% of the total drawn debt shall be converted into real estate units at the launch price.

b. Second conversion date i.e. on or after 13 June 2014

A sum of up to 50% of the total drawn debt shall be converted into real estate units at the valuation price.

Any part of the loan which is converted to real estate units shall not be entitled to any Lender's Share and the Lender's Share payable shall be reduced accordingly in the event of a conversion.

(ii) *Securities granted*

The loan is secured against a corporate guarantee from the Company (Note 25).

(b) Loans from financial institutions

The loans from financial institutions are secured against:

(i) a bank deposit of the Company (Note 12);

(ii) joint and several guarantee by a director of the Company and a related party; and

(iii) bank deposit of a director of a subsidiary.

(c) TMK Bonds

The TMK Bonds are secured against the entire balance of investment properties of the Group (Note 19).

24. Borrowings (continued)

(d) Bank Borrowings

The bank borrowings are secured against:

(i) a charge created over the land of a development project of the Group (Note 20);

(ii) a deed of debenture over the assets and rights of the subsidiary pertaining to a development project of the Group (Note 20);

(iii) a deed of assignment of the subsidiary full and entire rights and entitlements pertaining to a development project of the Group (Note 20);

(iv) joint and several guarantee by a director of the Company and two related parties.

(e) Loans from third parties – non-current

The non-current loans from third parties are secured against:

(i) a first fixed charge created over the entire issued share capital of a subsidiary of the Company

(ii) a corporate guarantee from the Company and a subsidiary (Note 25);

(iii) joint and several guarantee by a director of the Company and two related parties;

(iv) bank deposits of certain subsidiaries of the Company (Note 12);

(v) debenture over all assets and rights of certain subsidiaries of the Company

(f) Fair value of non-current borrowings

	Group		Company
	2013	**2012**	**2013**
	S$'000	**S$'000**	**S$'000**
Loans from third parties	**39,116**	–	**–**
Loans from financial institutions	**5,460**	–	**4,509**
TMK Bonds	**148,135**	–	**–**
Bank Borrowings	**23,981**	22,800	**–**
Loan from a shareholder	**–**	16,139	**–**

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24. Borrowings (continued)

(f) Fair value of non-current borrowings (continued)

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company
	2013	**2012**	**2013**
Loans from third parties	**5.75%**	–	**–**
Loans from financial institutions	**6.11%**	–	**5.75%**
TMK Bonds	**5.46%**	–	**–**
Bank Borrowings	**5.70%**	5.54%	**–**
Loan from a shareholder	**–**	5.54%	**–**

The fair values calculated above are within level 2 of the fair value hierarchy.

(g) Undrawn borrowing facilities

	Group		Company
	2013	**2012**	**2013**
	S$'000	**S$'000**	**S$'000**
Expiring beyond one year	**50,537**	–	**–**

25. Other liabilities

	Company
	2013
	S$'000
Current	
Corporate guarantee	**308**
Non-current	
Corporate guarantee	**195**
	503

Other liabilities of the Company are in relation to the corporate guarantees that the Company provided for its subsidiaries.

26. Deferred tax liabilities

Deferred income tax liabilities are shown on the balance sheet as follows:

	Group	
	2013	2012
	S$'000	S$'000
Deferred income tax liabilities		
- To be settled within one year	–	–
- To be settled after one year	6,303	–
	6,303	–

Movement in deferred income tax account is as follows:

	Group	
	2013	2012
	S$'000	S$'000
Beginning of financial year	–	–
Tax charge to profit or loss	6,605	–
Currency translation differences	(302)	–
End of financial year	6,303	–

	Group	
	2013	2012
	S$'000	S$'000
Deferred income tax liabilities		
- Fair value gains	6,303	–

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised tax losses of S$683,000 (2012: Nil) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements, and for which the deferred tax benefits had not been recognised as their future realisation was uncertain. The tax losses have no expiry date.

27. Share capital

Group 2013	Note	No. of ordinary shares Issued share capital '000	Amount Share capital S$'000
Beginning of financial year		–*	5,001
Sub-division of shares pursuant to Restructuring Exercise		–*	–
Issue of shares pursuant to Restructuring Exercise	2	1,420,000	84,020
Issue of shares pursuant to acquisition of subsidiaries		113,337	54,401
Issue of shares pursuant to the IPO (Note (a))		58,517	28,088
Issue of shares pursuant to payment of professional fees (Note (b))		12,991	6,236
Share issue expenses (Note (c))		–	(1,317)
End of financial year		1,604,845	176,429

Group 2012	No. of ordinary shares Issued share capital '000	Amount Share capital S$'000
Beginning and end of financial year	-*	5,001

* Amount less than 1,000

The share capital of the Group for the financial year ended 31 December 2012 reflects the combined share capital of the Subsidiaries which were transferred as part of the Restructuring Exercise (Note 2).

(a) On 8 July 2013, the Company issued 58,517,000 shares at S$0.48 per share as placement in connection with the IPO and raised gross proceeds of S$28,088,000.

(b) The Company issued 12,991,000 ordinary shares for a total consideration of S$6,236,000 for the payment of professional fees incurred. The fair value of the shares was determined based on the IPO price of the Group of S$0.48 per share.

27. Share capital (continued)

(c) During the financial year ended 31 December 2013, listing expenses of S$1,317,000 which were directly attributable to the issuance of new shares were deducted against the share capital account.

The newly issued shares rank *pari passu* in all respects with the previously issued shares.

Company	**Note**	**No. of ordinary shares**	**Amount**
2013		**Issued share capital**	**Share capital**
		'000	**S$'000**
At date of incorporation		–*	–*
Sub-division of shares pursuant to Restructuring Exercise		–*	–*
Issue of shares pursuant to Restructuring Exercise	2	1,420,000	89,021
Issue of shares pursuant to acquisition of subsidiaries		113,337	54,401
Issue of shares pursuant to IPO		58,517	28,088
Issue of shares pursuant to payment of professional fees		12,991	6,236
Share issue expenses		–	(1,317)
End of financial year		1,604,845	176,429

* Amount less than 1,000 or S$1,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

28. Reserves

(a) Merger reserve

Merger reserve relates to the resulting difference between the deemed cost of acquiring the Subsidiaries and the combined equity of the Subsidiaries pursuant to the Restructuring Exercise described in Note 2.

(b) Statutory surplus reserve

Pursuant to the Articles of Association of the People's Republic of China ("PRC") subsidiaries, these subsidiaries are required to transfer 10% of net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital and allocated to shareholders in proportion to their existing shareholding, provided that the balance after such issue is not less than 25% of the registered capital. This statutory surplus reserve is not distributable in the form of cash dividend.

29. Commitments

(a) Operating lease arrangements - where the Group is a lessee

The Group leases office space from non-related parties under non-cancellable operating leases agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities are as follows:

	Group		Company
	2013	2012	2013
	S$'000	S$'000	S$'000
Not later than one year	443	–	367
Later than one year but not later than five years	258	–	169
	701	–	536

(b) Operating lease commitments - where the Group is a lessor

The Group leases out healthcare-related facilities to non-related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2013	2012
	S$'000	S$'000
Not later than one year	15,735	–
Between one and five years	62,941	–
Later than five years	56,652	–
	135,328	–

30. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity 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, as well as establishing and reviewing the detailed financial risk management policies for the Group.

30. Financial risk management (continued)

(a) Market risk

(i) Currency risk

The Group operates predominantly in Asia with operations in countries such as Singapore, Malaysia, PRC and Japan. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Hong Kong Dollar ("HKD"), Chinese Yuan Renminbi ("RMB"), Japanese Yen ("JPY") and US Dollar ("USD").

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	MYR S$'000	JPY S$'000	HKD S$'000	USD S$'000	RMB S$'000	Total S$'000
At 31 December 2013							
Financial assets							
Cash and cash equivalents	3,886	11,525	15,565	–	3,203	1,093	35,272
Trade and other receivables	8,615	667	2,585	–	–	4,775	16,642
Receivables from subsidiaries	104,715	–	1,334	–	–	–	106,049
Other current assets	57	8	–	–	–	274	339
	117,273	12,200	19,484	–	3,203	6,142	158,302
Financial liabilities							
Borrowings	(33,504)	(33,846)	(152,111)	–	–	(3,899)	(223,360)
Payables by subsidiaries	(104,715)	–	(1,334)	–	–	–	(106,049)
Trade and other payables	(3,492)	(1,087)	(11,225)	(3)	(9)	(4,756)	(20,572)
	(141,711)	(34,933)	(164,670)	(3)	(9)	(8,655)	(349,981)
Net financial (liabilities)/ assets	(24,438)	(22,733)	(145,186)	(3)	3,194	(2,513)	(191,679)
Financial (assets)/liabilities denominated in the respective entities' functional currencies	(10,076)	22,733	145,186	3	–	2,513	160,359
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(34,514)	–	–	–	3,194	–	(31,320)

30. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	MYR S$'000	USD S$'000	RMB S$'000	Total S$'000
At 31 December 2012					
Financial assets					
Cash and cash equivalents	12	57	–	–	69
Trade and other receivables	11,563	–	–	–	11,563
Receivables from subsidiaries	3,806	–	–	–	3,806
Other current assets	–	–	2,456	–	2,456
	15,381	57	2,456	–	17,894
Financial liabilities					
Borrowings	(14,000)	(22,800)	–	–	(36,800)
Payables by subsidiaries	(3,806)	–	–	–	(3,806)
Trade and other payables	(12,179)	(315)	(92)	–	(12,586)
	(29,985)	(23,115)	(92)	–	(53,192)
Net financial (liabilities)/assets	(14,604)	(23,058)	2,364	–	(35,298)
Add: Firm commitment	–	–	–	(8,927)	(8,927)
Currency profile	(14,604)	(23,058)	2,364	(8,927)	(44,225)
Financial (assets)/liabilities denominated in the respective entities' functional currencies	(3,832)	23,058	–	8,927	28,153
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(18,436)	–	2,364	–	(16,072)

30. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

In respect of subsidiaries where the functional currency are denominated in MYR, HKD and RMB, if MYR, HKD and RMB change against the SGD by 2% with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/assets position will be as follows:

	31 December 2013		31 December 2012	
	Increase/(decrease)			
	Change %	Profit after tax S$'000	Change %	Profit after tax S$'000
SGD against MYR				
- Strengthened	2	**(310)**	2	**(241)**
- Weakened	2	**310**	2	**241**
SGD against HKD				
- Strengthened	2	**(174)**	2	–
- Weakened	2	**174**	2	–
SGD against RMB				
- Strengthened	2	**(31)**	2	–
- Weakened	2	**31**	2	–

The Company is not exposed to any significant currency risk as the transactions and balances are denominated in its functional currency.

(ii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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's exposure to cash flow interest rate risk arises primarily from its borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group does not have exposure to the fair value interest risk as the Group's borrowings are carried at amortised cost.

The Group periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels. If the interest rates had increased/decreased by 0.50% (2012: 0.50%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by S$141,000 (2012: S$ 114,000) as a result of higher/lower interest expense on these borrowings.

30. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Group's main classes of financial assets are cash and cash equivalents, trade and other receivables and other current assets.

(i) Financial assets that are neither past due nor impaired

For cash and cash equivalents, the Group adopts the policy of dealing only with major banks of high credit standing throughout the world. Trade and other receivables and other current assets that are neither past due nor impaired are substantially companies with good collection track records with the Group.

(ii) Financial assets that are past due and/or impaired

There is no class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2013	**2012**
	S$'000	**S$'000**
Past due < 3months	**54**	–
Past due 3 to 6 months	**48**	–
Past due > 6 months	**126**	–
	228	**–**

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and borrowings. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effect of fluctuations in cash flows.

30. Financial risk management (continued)

(c) Liquidity risk (continued)

The tables below analyse non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Within 1 year S$'000	Between 1 to 5 years S$'000	After 5 years S$'000
Group			
At 31 December 2013			
Trade and other payables	13,441	7,131	–
Borrowings	23,998	213,349	22,727
At 31 December 2012			
Trade and other payables	12,586	–	–
Borrowings	2,383	40,419	–
Company			
At 31 December 2013			
Trade and other payables	3,003	–	–
Borrowings	1,326	4,524	–
Financial guarantee contracts	67,376	–	–

(d) Capital risk

The primary objective of the Group's capital management is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of its business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholders, return capital to its shareholders or issue new shares. There were no changes in the Group's approach to capital management from the financial year ended 31 December 2012. The Group is not subject to any externally imposed capital requirements.

(e) Fair value measurements

The carrying amount of cash and cash equivalents, trade and other receivables, other current assets and current trade and other payables approximate their fair values because these are mostly short term in nature. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings is disclosed in Note 24(f).

Notes To The Financial Statements
For the financial year ended 31 December 2013

30. Financial risk management (continued)

(f) Financial instruments by category

The aggregate carrying amount of loans and receivables and financial liabilities at amortised cost are as follows:

	Group		Company
	2013	2012	2013
	S$'000	S$'000	S$'000
Loans and receivables	**52,253**	14,088	**110,056**
Financial liabilities at amortised cost	**242,584**	49,386	**8,756**

31. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	Group	
	2013	2012
	S$'000	S$'000
Guarantee income paid by a related company	**2,549**	–
Corporate service fee charged to related parties	**205**	–
Consultancy fee paid to a director of the Company	**25**	–
Management fee charged by related parties	**–**	779
Interest paid/payable to a shareholder	**–**	533

Balances with related parties at the balance sheet date are set out in Note 13 and Note 23.

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

(b) Key management personnel compensation

	Group	
	2013	2012
	S$'000	S$'000
Wages and salaries	**371**	–
Directors' fees of the Company	**161**	–
Post-employment benefits - contribution to Central Provident Fund	**9**	–
	541	–

31. Related party transactions (continued)

(b) Key management personnel compensation (continued)

Included in the above is total compensation to directors of the Company amounting to S$541,000 (2012:S$Nil).

During the financial year ended 31 December 2012, key management personnel compensation amounting to S$370,000 incurred by HMD was recharged to certain subsidiaries as part of project management services and capitalised as project costs in investment property under development and/or other assets.

32. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

Management considers the business from the operational perspective which are, provision of healthcare services, integrated medical real estate and investment holding.

The Group's business can be categorised into two segments as follows:

(i) Provision of healthcare services ("Healthcare Services") through:

- the management and operation of hospital, and
- the rental of healthcare-related facilities.

(ii) Development of medical real estate (such as hospital facilities), healthcare-related assets (such as nursing homes) and integrated mixed-use developments with medical real estate/healthcare-related assets, retail space, office and/or service residences ("Integrated Medical Real Estate").

All other segment comprises a head office function, including mostly senior management staff.

Notes To The Financial Statements

For the financial year ended 31 December 2013

32. Segment information (continued)

The segment information provided for the reportable segments are as follows:

	Healthcare Services S$'000	Integrated Medical Real Estate S$'000	All other segments S$'000	Total S$'000
31 December 2013				
Revenue				
External revenue				
- Medical services	19,888	–	–	19,888
- Rental income	11,427	–	–	11,427
Inter-segment revenue	–	–	–	–
Total segment revenue	31,315	–	–	31,315
Adjusted EBITDA	45,440	20,958	(6,033)	60,365
Depreciation of property, plant and equipment	(738)	–	(12)	(750)
Amortisation of lease prepayments	(291)	–	–	(291)
Finance expenses	(7,355)	–	(895)	(8,250)
Interest income	3	–	364	367
Profit/(Loss) before tax	37,059	20,958	(6,576)	51,441
Segment assets and consolidated total assets	303,383	83,965	26,776	414,124
Segment assets includes:				
Additions to:				
- Property, plant and equipment	1,548	–	171	1,719
- Investment properties	198,547	–	–	198,547
- Investment properties under development	–	15,061	–	15,061
Segment liabilities	196,812	38,260	8,860	243,932

32. Segment information (continued)

	Healthcare Services S$'000	Integrated Medical Real Estate S$'000	All other segments S$'000	Total S$'000
31 December 2012				
Revenue				
External revenue				
- Medical services	–	–	–	–
- Rental income	–	–	–	–
Inter-segment revenue	–	–	–	–
Total segment revenue	–	–	–	–
Adjusted EBITDA	–	6,241	(44)	6,197
Finance expenses	–	(313)	–	(313)
Interest income	–	313	–	313
Profit/(Loss) before tax	–	6,241	(44)	6,197
Segment assets and consolidated total assets	–	57,620	2,909	60,529
Segment assets includes:				
Additions to:				
- Investment properties under development	–	420	–	420
Segment liabilities	–	46,928	2,458	49,386

The key management assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("adjusted EBITDA"). This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs that are not expected to recur regularly in every period.

32. Segment information (continued)

(a) Reconciliations

(i) Segment profits

A reconciliation of adjusted EBITDA to profit before tax is as follows:

	2013 S$'000	2012 S$'000
Adjusted EBITDA for reportable segments	**66,398**	6,241
Other segments EBITDA	**(6,033)**	(44)
Depreciation of property, plant and equipment	**(750)**	–
Amortisation of lease prepayments	**(291)**	–
Finance expense	**(8,250)**	(313)
Interest income	**367**	313
Profit before tax	**51,441**	6,197

(ii) Segment assets

The amounts provided to the key management with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the key management monitors the property, plant and equipment, lease prepayments, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments.

Segment assets are reconciled to total assets as follows:

	2013 S$'000	2012 S$'000
Segment assets for reportable segments	**387,348**	57,620
Other segment assets	**26,776**	2,909
	414,124	60,529

32. Segment information (continued)

(a) Reconciliations (continued)

(iii) Segment liabilities

The amounts provided to the key management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities and deferred tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	2013 S$'000	2012 S$'000
Segment liabilities for reportable segments	**235,072**	46,928
Other segment liabilities	**8,860**	2,458
Unallocated:		
Income tax liabilities	**916**	–
Deferred tax liabilities	**6,303**	–
	251,151	49,386

(b) Revenue from major products and services

Revenues from external customers are derived mainly from the provision of Healthcare Services.

(c) Geographical information

The Group's two business segments principally operate in four main geographical areas:

Singapore – the Company is headquartered in Singapore. The operations in this area are principally investment holding;

Japan – the operations in this area are principally provision of healthcare services through the rental of healthcare-related facilities;

China (including Hong Kong) – the operations in this area consist of the provision of healthcare services through the management and operation of hospital and the development of medical real estate, healthcare-related assets and integrated mixed use developments, as well as investment holding; and

32. Segment information (continued)

(c) Geographical information (continued)

Malaysia – the operations in this area are principally development of medical real estate, healthcare-related assets and integrated mixed-use developments.

	Singapore		China		Japan		Malaysia		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Group	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue										
External customers	–	–	19,888	–	11,427	–	–	–	31,315	–
Other income	1,661	–	10,483	–	33,192	–	12,415	6,592	57,751	6,592
	1,661	–	30,371	–	44,619	–	12,415	6,592	89,066	6,592
Other geographical information:										
Segment assets	11,479	443	93,294	2,466	236,073	–	73,278	57,620	414,124	60,529
Segment liabilities	(7,102)	–	(12,500)	(2,458)	(193,765)	–	(37,784)	(46,928)	(251,151)	(49,386)
Net assets	4,377	443	80,794	8	42,308	–	35,494	10,692	162,973	11,143
Non-current assets	160	441	83,178	–	216,736	–	61,045	46,000	361,119	46,441

33. Business combinations

(a) On 1 January 2013, the Group acquired an effective 74.97% equity interest in and control over Health Kind International Limited and its subsidiaries, Health Kind International (Shanghai) Co., Ltd. and Wuxi New District Phoenix Hospital Co., Ltd. (collectively, "Wuxi Hospital"). The principal activity of Wuxi Hospital is that of operation of a hospital. Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

33. Business combinations (continued)

(i) Purchase consideration

	2013 S$'000
Consideration shares issued	55,653
Less: Borrowings to be repaid by vendor (Note (a))	(1,568)
Consideration transferred to the business	54,085
Fair value of identifiable net assets acquired	(14,624)
Non-controlling interest	3,660
	(10,964)
Goodwill arising on consolidation (Note 16 (a))	43,121

(a) A shareholder of the Company has undertaken to repay the outstanding borrowings in the event that the outstanding borrowings are not repaid by the vendor.

(ii) Effect on cash flows of the Group

	2013 S$'000
Cash paid	–
Less: Cash acquired	(1,901)
Net cash inflow on acquisition	1,901

(iii) Assets acquired and liabilities assumed

The assets and liabilities arising from the acquisition are as follows:

	Fair value S$'000
Cash	1,901
Trade and other receivables	1,335
Other current assets	18
Inventories	770
Lease prepayments	12,001
Property, plant and equipment	5,214
Trade and other payables	(3,356)
Current tax payable	(908)
Borrowings	(2,351)
Net identifiable assets acquired	14,624

33. Business combinations (continued)

(iv) Non-controlling interests

The Group has chosen to recognise the 25.03% non-controlling interest at its fair value of S$3,660,000.

(v) Revenue and profit contribution

The acquired business contributed to the Group revenue of S$19,888,000 (2012: S$Nil) and net profit of S$682,000 (2012: S$Nil) from 1 January 2013 (date of acquisition) to 31 December 2013.

34. Events occurring after balance sheet date

On 15 January 2014, the Company allotted and issued 27,468,750 new ordinary shares in the Company to HMD as consideration for the acquisition of IHC Shanghai Medical Village Pte. Ltd. and its subsidiaries pursuant to the terms of the sale and purchase agreement dated 28 May 2013 between the Company and HMD. Following the Allotment and Issuance, the total number of issued Shares of the Company has increased from 1,604,845,042 Shares to 1,632,313,792 Shares.

On 21 January 2014, the Company incorporated a wholly owned subsidiary company in Singapore, named IHC Management Pte. Ltd.. IHC Management Pte. Ltd. has an initial issued and paid up capital of S$1 divided into 1 ordinary share and will be principally engaged in property fund management.

On 17 February 2014, the Group, through its wholly owned subsidiary, IHC Medical Assets Pte. Ltd., signed a contract of sale for the acquisition of a freehold, commercial property in Melbourne, Australia for a consideration amounting to approximately S$51.8 million (A$45.0 million) with the intention to reposition the property in providing both integrated healthcare services and facilities.

On 28 February 2014, the Group, through its wholly owned subsidiary, IHC Medical Assets Pte. Ltd., signed a contract of sale for the acquisition of a freehold, commercial property in Melbourne, Australia for a consideration amounting to approximately S$41.2 million (A$35.8 million).

On 7 March 2014, the Group, through its wholly owned subsidiary, IHC Medical Assets Pte. Ltd., signed contracts of sale for the acquisition of a freehold medical-use property in Australia in the city of Geelong for S$32.2 million (A$28.0 million).

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2014 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Consolidated and Separate Financial Statements" and INT FRS 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group will apply FRS 110 from 1 January 2014 but this is not expected to have any significant impact on the financial statements of the Group.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group will apply FRS 112 from 1 January 2014 but this is not expected to have any significant impact on the financial statements of the Group.

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of International Healthway Corporation Limited on 4 April 2014.

Statistics Of Shareholdings

As at 20 March 2014

Issued and fully paid	:	S$190,931,622
Number of shares with voting rights	:	1,632,313,792
Number of Treasury Shares held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 33.89% of the issued ordinary shares of the Company were held in the hands of the public as at 20 March 2014 and therefore Rule 723 of the Rules of Catalist is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Percentage	Number of Shares	Percentage
1 - 999	2,482	30.09	971,208	0.06
1,000 - 10,000	4,405	53.41	18,941,249	1.16
10,001 - 1,000,000	1,312	15.91	73,694,852	4.51
1,000,001 and above	49	0.59	1,538,706,483	94.27
TOTAL	**8,248**	**100.00**	**1,632,313,792**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES	%
1	GOLDEN CLIFF INTERNATIONAL LIMITED	427,493,355	26.19
2	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	137,734,360	8.44
3	REAL EMPIRE INTERNATIONAL LIMITED	135,551,154	8.30
4	XANERY LIMITED	134,998,154	8.27
5	DMG & PARTNERS SECURITIES PTE LTD	122,436,879	7.50
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	72,834,178	4.46
7	HEALTHWAY MEDICAL CORPORATION LIMITED	68,219,503	4.18
8	THE BANK OF EAST ASIA (NOMINEES) PRIVATE LIMITED	57,000,000	3.49
9	ER KONG KIONG DOMINIC	47,874,669	2.93
10	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	38,690,475	2.37
11	CIMB SECURITIES (SINGAPORE) PTE LTD	36,676,624	2.25
12	HONG LEONG FINANCE NOMINEES PTE LTD	26,449,348	1.62
13	UOB KAY HIAN PRIVATE LIMITED	25,271,962	1.55
14	LIN KAO-KUN	23,793,997	1.46
15	THE ENTERPRISE FUND II LTD	20,833,000	1.28
16	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	19,505,256	1.19
17	HEALTHWAY MEDICAL DEVELOPMENT (PRIVATE) LIMTED	14,578,750	0.89
18	CITIBANK NOMINEES SINGAPORE PTE LTD	13,773,310	0.84
19	MAYBANK KIM ENG SECURITIES PTE LTD	10,314,364	0.63
20	OCBC SECURITIES PRIVATE LIMITED	8,705,432	0.53
	TOTAL	**1,442,734,770**	**88.37**

Statistics Of Shareholdings

As at 20 March 2014

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Golden Cliff International Limited(2)	427,493,355	26.19	73,078,750	4.48
Fan Kow Hin(3)	–	–	561,852,725	34.42
Real Empire International Limited(4)	135,551,154	8.30	150,129,903	9.20
Aathar Ah Kong Andrew(5)	22,057	–	372,519,921	22.82
Xanery Limited	134,998,154	8.27	–	–
Dr Jong Hee Sen(6)	321,370	0.02	157,516,185	9.65

Notes:

(1) Percentage calculated based on 1,632,313,792 voting Shares as at 20 March 2014.

(2) Golden Cliff International Limited is deemed to be interested in 14,578,750 ordinary shares held by Healthway Medical Development (Private) Limited ("HMD") by virtue of its shareholdings in HMD and 58,500,000 shares held in the name of its various nominee accounts.

(3) Fan Kow Hin is deemed to be interested in the 500,572,105 ordinary shares held by Golden Cliff International Limited ("Golden Cliff"), 8,116,258 shares held by One Organisation Limited ("OOL") and 5,503,237 shares held by One Organisation Pte Ltd ("OOPL"), by virtue of his shareholdings in Golden Cliff, OOL and OOPL. Fan Kow Hin is also deemed to be interested in 47,496,543 shares held in the name of a nominee account and 164,582 shares held by his sister, Fan Kwee Lan.

(4) Real Empire International Limited is deemed to be interested in 14,578,750 ordinary shares held by HMD by virtue of its shareholdings in HMD and 135,551,153 shares held in a nominee account.

(5) Aathar Ah Kong Andrew is deemed to be interested in the 285,681,057 ordinary shares held by Real Empire International Limited ("Real Empire") by virtue of his shareholdings in Real Empire. Aathar Ah Kong Andrew is also deemed to be interested in the 86,555,453 shares held by his various nominee accounts and 283,411 shares held by his brother, Aathar Ah Tuk Henry.

(6) Dr Jong Hee Sen is deemed to be interested in the 22,518,031 shares registered in the names of various nominee accounts and 134,998,154 shares held by Xanery Limited by virtue of his shareholding in Xanery Limited.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of International Healthway Corporation Limited (the "**Company**") will be held at The National University of Singapore Society, Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive, Singapore 119241 on Wednesday, 30 April 2014 at 10.30 a.m., for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 December 2013 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$123,018 for the financial year ended 31 December 2013. **(Resolution 2)**

3. To re-elect the following Directors retiring under Article 92 of the Company's Articles of Association:-

   Dr Jong Hee Sen (see explanatory note 1) **(Resolution 3)**
   Mr Siew Teng Kean (see explanatory note 2) **(Resolution 4)**
   Mr Yip Yuen Leong **(Resolution 5)**
   Mr Wong Ong Ming Eric (see explanatory note 3) **(Resolution 6)**
   Mr Ong Lay Khiam (see explanatory note 4) **(Resolution 7)**
   Mr Teo Cheng Hiang Richard (see explanatory note 5) **(Resolution 8)**

4. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

5. To transact any other business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as ordinary resolutions:-

6. **Ordinary Resolution: The Proposed General Share Issue Mandate (the "Share Issue Mandate")**

   "That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual (Section B: Rules of Catalist) (the "**Rules of Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the directors of the Company (the "**Directors**") to:-

   (a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force,

provided always that:-

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed one hundred per cent (100%) of the total issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (the "**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of total issued Shares shall be based on total issued Shares (excluding treasury shares) at the time of passing this resolution, after adjusting for:-

(1) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(2) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this resolution, the Directors shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company's Articles of Association for the time being; and

Notice Of Annual General Meeting

(d) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."
(see explanatory note 6) **(Resolution 10)**

BY ORDER OF THE BOARD

Wee Woon Hong
Lee Hock Heng
Company Secretaries

14 April 2014
Singapore

Explanatory Notes:-

1. Dr Jong Hee Sen will, upon re-election as Director of the Company, remain as member of the Nominating Committee of the Company.

2. Mr Siew Teng Kean will, upon re-election as a Director of the Company, remain as the lead independent Director and Chairman of the Audit Committee and Remuneration Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

3. Mr Wong Ong Ming Eric will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee of the Company. He will be considered as non-independent for the purposes of Rule 704(7) of the Rules of Catalist.

4. Mr Ong Lay Khiam will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

5. Mr Teo Cheng Hiang Richard will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and Remuneration Committee of the Company.

6. Under the Rules of Catalist, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and/or convertible securities of the issuer of up to one hundred per cent (100%) of the total issued shares (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and/or convertible securities to be issued other than on a pro rata basis to existing shareholders must be not more than fifty per cent (50%) of the total issued shares of the issuer (excluding treasury shares).

   The Directors are of the opinion that the Share Issue Mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company.

   The ordinary resolution 10 proposed in item 6 above, if passed, will empower the Directors from the date of the AGM until the date of the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to allot and issue shares and convertible securities in the capital of the Company. The aggregate number of shares and convertible securities which the Directors may allot and issue under this resolution, shall not exceed one hundred per cent (100%) of the Company's issued share capital of which the aggregate number of shares and/or convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not exceed fifty per cent (50%) of the Company's issued share capital (excluding treasury shares) at the time of passing of this resolution. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

Notice Of Annual General Meeting

Notes:-

(i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote on behalf of him/her.

(ii) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 2 Leng Kee Road #04-10A Thye Hong Centre Singapore 159086 not less than 48 hours before the time appointed for holding the AGM.

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INTERNATIONAL HEALTHWAY CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201304341E)

PROXY FORM
ANNUAL GENERAL MEETING

I/We, ____ (Name) of

____ (Address)

being a *member/members of International Healthway Corporation Limited (the "**Company**") hereby appoint:-

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

*and/or

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing *him/her, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary to demand a poll, at the AGM of the Company to be held at The National University of Singapore Society, Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive, Singapore 119241 on 30 April 2014 at 10.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of AGM. In the absence of specific directions, the *proxy/proxies will vote or abstain as *he/they may think fit, as *he/they will on any other matter arising at the AGM.)

No.	Ordinary Resolutions relating to:-	To be used on a show of hands		To be used in the event of a poll	
		For	Against	Number of Votes For	Number of Votes Against
1.	Adoption of Directors' Report and Audited Accounts for the financial year ended 31 December 2013				
2.	Approval of Directors' Fees amounting to S$123,018 for the financial year ended 31 December 2013				
3.	Re-election of Dr Jong Hee Sen as a Director of the Company				
4.	Re-election of Mr Siew Teng Kean as a Director of the Company				
5.	Re-election of Mr Yip Yuen Leong as a Director of the Company				
6.	Re-election of Mr Wong Ong Ming Eric as a Director of the Company				
7.	Re-election of Mr Ong Lay Khiam as a Director of the Company				
8.	Re-election of Mr Teo Cheng Hiang Richard as a Director of the Company				
9.	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration				
10.	Authority to issue and allot shares pursuant to the Share Issue Mandate				

* Delete accordingly

Dated this ____________ day of ________________ 2014

Total Number of Shares held

____
Signature(s) of Shareholder(s)/or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.

3. The instrument appointing the a proxy or proxies must be deposited at the Company's registered office at 2 Leng Kee Road, #04-10A, Thye Hong Centre, Singapore 159086 not less than 48 hours before the time appointed for the AGM.

4. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. (100%) of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

8. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 48 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

Corporate Information

BOARD OF DIRECTORS
Dr. Jong Hee Sen
(Executive Chairman and Group President)
Yip Yuen Leong
(Executive Director and President, Integrated Medical Real Estate)
Wong Ong Ming Eric (Non-executive Director)
Siew Teng Kean (Lead Independent Director)
Ong Lay Khiam (Independent Director)
Teo Cheng Hiang Richard (Independent Director)

AUDIT COMMITTEE
Siew Teng Kean (Chairman)
Ong Lay Khiam
Wong Ong Ming Eric

NOMINATING COMMITTEE
Ong Lay Khiam (Chairman)
Dr. Jong Hee Sen
Teo Cheng Hiang Richard

REMUNERATION COMMITTEE
Siew Teng Kean (Chairman)
Teo Cheng Hiang Richard
Wong Ong Ming Eric

COMPANY SECRETARIES
Wee Woon Hong
Lee Hock Heng

REGISTERED OFFICE
2 Leng Kee Road
#04-10A Thye Hong Centre
Singapore 159086
Telephone: (65) 6476 8786
Facsimile: (65) 6476 8117
www.ihc.sg
Company Registration No.: 201304341E

SHARE REGISTRAR
Boardroom & Corporate Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: (65) 6536 5355

SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

AUDITORS
PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
8 Cross Street
#17-00 PWC Building
Singapore 048242
Partner-in-charge: Tham Tuck Seng
Date of Appointment: 6 March 2013

PRINCIPAL BANKERS
Public Bank Berhad
27th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Hong Leong Finance Limited
16 Raffles Quay, #01-05
Hong Leong Building
Singapore 048581

INVESTOR RELATIONS
Citigate Dewe Rogerson, i.MAGE
55 Market Street #02-01/02
Singapore 048941
Tel: (65) 6534 5122
Fax: (54) 6534 4171
IR Contact: Dolores Phua/Pearl Lam

IHC INTERNATIONAL HEALTHWAY CORPORATION

International Healthway Corporation Limited
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Singapore 159086
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