

How not to run a healthcare company

Singapore-listed Healthway Medical Corp (HMC) lost millions of dollars in questionable loans to two entities. The Sunday Times takes a look at how the money was lost.

HMC



**Key shareholder:
Mr Fan Kow Hin
(17%), executive
chairman, 2007 to
May 5, 2015**

HMC

- runs close to 100 clinics and medical centres in Singapore
- has 120 full-time doctors and about 1,200 corporate clients
- has management service contracts with Healthway Medical Enterprises (HME) and Wei Yi Shi Ye
- funds and manages HME and Wei Yi Shi Ye for a fee
- but does not own them or have rights to their variable returns

HMC's loans to HME, which owns specialist clinics in Singapore

2010: \$7.4m

2015: \$64.3m (after a \$3m allowance)

2016: \$0.5m net advance and further \$15m allowance

2017: HMC plans to acquire HME by March 31. Once the loan becomes a loan between group entities, it is eliminated in the consolidated financial statements.

HMC's loans to Wei Yi Shi Ye, a China-incorporated medical centre owner

2010: \$15.4m

2015: \$21m (after a \$14.8m allowance)

2016: Another \$1.3m and a further \$21.6m allowance

HME



Sole director: Mr Eric Wong Ong Ming

- Resigned in May 5, 2015 to join HMC
- HMC non-executive, non-independent chairman from May 5, 2015 to Oct 1, 2016
- Remains a non-executive, non-independent director of HMC

Wei Yi Shi Ye

**Sole executive director:
Ms Jamie Fan Wei Zhi**

- Daughter of Mr Fan Kow Hin