



## ASIAN HEALTHCARE SPECIALISTS LIMITED (Registration No. 201727543R)

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### UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 12 April 2018 (the “Offer Document”).*

Asian Healthcare Specialists Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 April 2018. The initial public offering (the “**IPO**”) of the Company was sponsored by RHT Capital Pte. Ltd. (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of the Catalist. The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is: Name: Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619 Tel: (65) 6381 6757

#### **Background**

The Company was incorporated in Singapore on 27 September 2017 under the Companies Act as a private company limited by shares, under the name of “Asian Healthcare Specialists Pte. Ltd.” The Company was converted into a public company limited by shares and the name of the Company was changed to “Asian Healthcare Specialists Limited” in connection therewith on 21 March 2018.

The Group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate reorganisation. Please refer to the Company’s Offer Document for further details on the Restructuring Exercise.

The Group is a medical services group primarily engaged in the provision of a wide spectrum of general and subspecialised orthopaedic, trauma and sports services such as knee/hip replacements, sports medicine/surgery, spine surgery, foot/ankle surgery and minimally invasive orthopaedic procedures. The Group also has an anaesthesia arm and a physiotherapy practice.

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**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

1(a)(i) The Directors of the Company are pleased to announce the unaudited consolidated results of the Group for 2H2019 and FY2019 respectively. The comparable periods are defined as 2H2018 and FY2018 respectively in this announcement.

	<b>2H2019</b> <b>S\$'000</b>	<b>2H2018</b> <b>S\$'000</b>	<b>increase/ (decrease)</b> <b>%</b>	<b>FY2019</b> <b>S\$'000</b>	<b>FY2018</b> <b>S\$'000</b>	<b>increase/ (decrease)</b> <b>%</b>
Revenue	6,262	5,216	20.1%	12,205	10,863	12.4%
Other income	163	104	56.7%	293	119	146.2%
<i><b>Items of expense</b></i>						
Supplies and consumables used	(843)	(827)	1.9%	(1,709)	(1,716)	(0.4%)
Purchased and contracted services	(19)	(107)	(82.2%)	(75)	(171)	(56.1%)
Staff costs	(2,546)	(1,959)	30.0%	(4,859)	(3,666)	32.5%
Depreciation of plant and equipment	(18)	(23)	(21.7%)	(35)	(53)	(34.0%)
Other operating expenses	(1,131)	(1,171)	(3.4%)	(2,290)	(2,441)	(6.2%)
Finance cost	(89)	–	N/A	(163)	–	N/A
<b>Profit before tax</b>	<b>1,779</b>	<b>1,233</b>	<b>44.3%</b>	<b>3,367</b>	<b>2,935</b>	<b>14.7%</b>
Tax expense	(291)	(208)	39.9%	(500)	(483)	3.5%
<b>Profit for the financial period/ year, representing total comprehensive income for the period/ year, attributable to owners of the Company</b>	<b>1,488</b>	<b>1,025</b>	<b>45.2%</b>	<b>2,867</b>	<b>2,452</b>	<b>16.9%</b>
Earnings per share						
- Basic and diluted (cents)	0.46	0.36	27.8%	0.90	0.93	(3.2%)

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**Profit before tax**

Profit before tax is arrived at after including:

	<b>2H2019</b>	<b>2H2018</b>	<b>FY2019</b>	<b>FY2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Profit for the period/ year is arrived at after including:</b>				
Finance cost	89	-	163	-
Amortisation of transaction costs capitalised in relation to issuance of Convertible Bond	8	-	14	-
Contribution to defined contribution plan included in staff costs	134	103	251	188
Depreciation of plant and equipment	18	23	35	53
Expenses for corporate exercise	135	316	230	965
Government grants	(64)	(70)	(105)	(85)
Impairment loss:				
- Trade receivables	-	10	-	13
Interest income	(99)	(34)	(188)	(34)
Operating lease expenses	154	107	457	343

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**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/09/2019</b>	<b>30/09/2018</b>	<b>30/09/2019</b>	<b>30/09/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	84	24	23	–
Subsidiaries	–	–	12,763	2,431
Goodwill	10,144	–	–	–
<b>Total non-current assets</b>	<b>10,228</b>	<b>24</b>	<b>12,786</b>	<b>2,431</b>
<b>Current assets</b>				
Contract assets	244	74	–	–
Trade and other receivables	2,160	1,527	5,523	3,296
Cash and cash equivalents	17,023	13,021	12,210	8,681
<b>Total current assets</b>	<b>19,427</b>	<b>14,622</b>	<b>17,733</b>	<b>11,977</b>
<b>Total assets</b>	<b>29,655</b>	<b>14,646</b>	<b>30,519</b>	<b>14,408</b>
<b>EQUITY</b>				
Share capital	22,047	12,715	22,047	12,715
Other reserves	(1,876)	(2,431)	555	–
Retained earnings	3,184	2,924	2,996	1,549
<b>Total equity attributable to owners of the Company</b>	<b>23,355</b>	<b>13,208</b>	<b>25,598</b>	<b>14,264</b>
<b>LIABILITIES</b>				
<b>Non-current liability</b>				
Deferred tax liability	11	11	–	–
Unsecured convertible bond	4,577	–	4,577	–
<b>Total non-current liability</b>	<b>4,588</b>	<b>11</b>	<b>4,577</b>	<b>–</b>
<b>Current liabilities</b>				
Trade and other payables	1,059	908	335	144
Current tax payable	551	519	9	–
Contract liabilities	102	–	–	–
<b>Total current liabilities</b>	<b>1,712</b>	<b>1,427</b>	<b>344</b>	<b>144</b>
<b>Total liabilities</b>	<b>6,300</b>	<b>1,438</b>	<b>4,921</b>	<b>144</b>
<b>Total equity and liabilities</b>	<b>29,655</b>	<b>14,646</b>	<b>30,519</b>	<b>14,408</b>

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**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

	<b>30/09/2019</b>	<b>30/09/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Unsecured borrowing – convertible bond</b>		
Amount repayable within one year	–	–
Amount repayable after one year	5,000	–
Less: Unamortised portion of finance cost and transaction costs capitalised	(423)	–
	<u>4,577</u>	<u>–</u>

On 15 October 2018, the Company entered into an investment agreement with an investor to issue the followings:

- zero-coupon convertible bond in the aggregate principal amount of S\$5,000,000 due in 2021 (“**Convertible Bond**”), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at a conversion price of S\$0.25 per share; and
- grant of non-listed share option to be exercised in whole or in part, carrying the right to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per share.

On 31 October 2018, the Company completed the Convertible Bond issuance.

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**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>2H2019</b> <b>S\$'000</b>	<b>2H2018</b> <b>S\$'000</b>	<b>FY2019</b> <b>S\$'000</b>	<b>FY2018</b> <b>S\$'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	1,779	1,233	3,367	2,935
Adjustments for:				
Finance cost	89	-	163	-
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	8	-	14	-
Depreciation of plant and equipment	18	23	35	53
Interest income	(99)	(34)	(188)	(34)
	1,795	1,222	3,391	2,954
Changes in:				
- trade and other receivables	183	398	(515)	(26)
- trade and other payables	125	164	121	(332)
- contract assets	(170)	-	(170)	39
- contract liabilities	102	-	102	-
<b>Cash generated from operations</b>	<b>2,035</b>	<b>1,784</b>	<b>2,929</b>	<b>2,635</b>
Interest received	109	21	195	21
Tax paid	(260)	(18)	(502)	(84)
<b>Net cash generated from operating activities</b>	<b>1,884</b>	<b>1,787</b>	<b>2,622</b>	<b>2,572</b>
<b>Cash flows from investing activity</b>				
Purchase of plant and equipment	(30)	(7)	(76)	(14)
Payment for acquisition of subsidiary, net of cash acquired (Note A)	-	-	(892)	-
<b>Net cash used in investing activities</b>	<b>(30)</b>	<b>(7)</b>	<b>(968)</b>	<b>(14)</b>
<b>Cash flows from financing activities</b>				
Amounts due to related parties (non-trade)	-	-	-	(583)
Dividends paid to owners of the Company	(1,303)	(1,380)	(2,607)	(1,380)
Gross proceeds from issuance of new shares pursuant to IPO	-	10,787	-	10,787
Share issue expenses capitalised in equity	-	-	-	(503)
Proceeds from issuance of convertible bond	-	-	5,000	-
Payment of transaction costs related to convertible bond issuance	-	(503)	(45)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,303)</b>	<b>8,904</b>	<b>2,348</b>	<b>8,321</b>
Net increase in cash and cash equivalents	551	10,684	4,002	10,879
Cash and cash equivalents at beginning of the period / year	16,472	2,337	13,021	2,142
<b>Cash and cash equivalents at 30 September</b>	<b>17,023</b>	<b>13,021</b>	<b>17,023</b>	<b>13,021</b>

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### Note A: Payment for acquisition of subsidiary

On 26 October 2018, the Company entered into a sale and purchase agreement (the “**Acquisition**”) to acquire the entire issued and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd. (“**AAC**”). The consideration for the acquisition was \$11,050,000, and was satisfied on completion date as follows:

- a) \$1,000,000 in cash; and
- b) \$10,050,000 by the issue and allotment of 35,892,857 new shares (the “**Consideration Shares**”) credited and fully paid up at an issue price of S\$0.28 per share.

The Company performed a purchase price allocation exercise upon the completion of the Acquisition on 28 November 2018.

The remeasurement to fair value of identifiable assets acquired, liabilities assumed, and the cash outflow on the acquisition date were as follows:

	<b>S\$'000</b>
Plant and equipment	19
Cash and cash equivalent	108
Trade and other receivables	125
Total liabilities	(64) <sup>(1)</sup>
<b>Total identifiable net assets acquired</b>	<b>188</b>
Goodwill	10,144
<b>Total consideration transferred</b>	<b>10,332</b>
Less: Consideration Shares	(9,332)
<b>Cash consideration paid</b>	<b>(1,000)</b>
Add: Cash and cash equivalent acquired	108
<b>Net outflow of cash</b>	<b>(892)</b>

#### Note:

<sup>(1)</sup> The increase of S\$34,000 in total liabilities, compared to total liabilities reported in 1H2019 was due the under provision of income tax expenses for the pre-acquisition period.

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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**The Group**

	<b>Share capital S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 October 2017</b>	2,431	(2,431)	1,852	1,852
Profit for the year	–	–	2,452	2,452
<b>Total comprehensive income for the year</b>	–	–	2,452	2,452
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to IPO	10,787	–	–	10,787
Capitalisation of share issue expenses	(503)	–	–	(503)
Dividends paid	–	–	(1,380)	(1,380)
<b>Total transactions with owners</b>	10,284	–	(1,380)	8,904
<b>At 30 September 2018</b>	12,715	(2,431)	2,924	13,208
<b>At 1 October 2018</b>	12,715	(2,431)	2,924	13,208
Profit for the year	–	–	2,867	2,867
<b>Total comprehensive income for the year</b>	–	–	2,867	2,867
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	9,332	–	–	9,332
Recognition of equity component of convertible bond	–	555	–	555
Dividends paid	–	–	(2,607)	(2,607)
<b>Total transactions with owners</b>	9,332	555	(2,607)	7,280
<b>At 30 September 2019</b>	22,047	(1,876)	3,184	23,355



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

**The Company**

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Issue of shares at date of incorporation, 27 September 2017</b>	— <sup>(2)</sup>	—	—	— <sup>(2)</sup>
Profit for the year	—	—	2,929	2,929
<b>Total comprehensive income for the year</b>	— <sup>(2)</sup>	—	2,929	2,929
<i>Contributions by and distributions to owners</i>				
Acquisition of subsidiaries and issuance of consideration shares pursuant to Restructuring Exercise	2,431	—	—	2,431
Issuance of new shares pursuant to IPO	10,787	—	—	10,787
Capitalisation of share issue expenses	(503)	—	—	(503)
Dividends paid	—	—	(1,380)	(1,380)
<b>Total transactions with owners</b>	12,715	—	(1,380)	11,335
<b>At 30 September 2018</b>	12,715	—	1,549	14,264
<b>At 1 October 2018</b>	12,715	—	1,549	14,264
Profit for the year	—	—	4,054	4,054
<b>Total comprehensive income for the year</b>	—	—	4,054	4,054
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	9,332	—	—	9,332
Recognition of equity component of convertible bond	—	555	—	555
Dividends paid	—	—	(2,607)	(2,607)
<b>Total transactions with owners</b>	9,332	555	(2,607)	7,280
<b>At 30 September 2019</b>	22,047	555	2,996	25,598

**Note:**

<sup>(2)</sup> Less than S\$1,000

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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<b>Purpose</b>	<b>Number of new Shares issued</b>	<b>Resultant Issued and Paid Up Share Capital</b>	
		<b>No of Share(s)</b>	<b>(\$)</b>
Issued and paid-up capital as at date of incorporation, 27 September 2017	1	1	1
Restructuring Exercise on 11 October 2017	2,430,999	2,431,000	2,431,000
Share Split on 22 March 2018	240,669,000	243,100,000	2,431,000
Issuance of new shares pursuant to IPO on 18 April 2018	46,900,000	290,000,000	13,218,000
<b>Share capital as at 30 September 2018</b>		<b>290,000,000</b>	<b>13,218,000</b>
Issuance of new shares pursuant to the acquisition of a subsidiary on 28 November 2018	35,892,857	325,892,857	22,550,000
<b>Share capital as at 30 September 2019</b>		<b>325,892,857</b>	<b>22,550,000</b>

## **ASIAN HEALTHCARE SPECIALISTS LIMITED**

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The Company had, on 15 October 2018 entered into an investment agreement (“**Investment Agreement**”) with Vanda 1 Investments Pte. Ltd. (the “**Investor**”). The Investor is a Singapore incorporated company managed and controlled by Heliconia Capital Management Pte. Ltd. (“**Heliconia**”). Heliconia is an investment company incorporated in Singapore and a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Pursuant to the Investment Agreement, (i) up to 20,000,000 Conversion Shares at a conversion price of S\$0.25 per Conversion Share are to be issued upon conversion of the Convertible Bond (subject to the Adjustment Events), and (ii) up to 15,384,615 Option Shares are to be issued upon exercise of the Option at an option price of S\$0.325 per Option Share (subject to the Adjustment Events). Please refer to the Company’s announcements dated 15 October 2018, 19 October 2018 and 31 October 2018 in relation to the Convertible Bond Issuance and Grant of Option under the Investment Agreement to the Investor.

No conversion of the Convertible Bond has taken place since the date of issuance.

On 26 October 2018, the Company entered into a sale and purchase agreement (“**SPA**”) with Dr Lim Tet Chen Roy (the “**Vendor**”), to acquire the entire issued and paid up shares (“**Sale Shares**”) in the share capital of AAC. Pursuant to the Completion of the Acquisition, the Company has issued and allotted 35,892,857 Consideration Shares at the issue price of S\$0.28 per Consideration Share on 28 November 2018. Please refer to the Company’s announcements dated 26 October 2018, 7 November 2018 and 28 November 2018 in relation to the SPA with Vendor for the Acquisition.

There are no shares held as treasury shares and subsidiary holdings as at 30 September 2019 and 30 September 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.**

See above for the total number of issued shares. There are no treasury shares held by the Company.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current period reported on.**

There are no treasury shares held by the Company.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company has no subsidiary holdings as at 30 September 2019.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors of the Company.

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3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 September 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 October 2018. Other than the adoption of the new standards that are effective on 1 October 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 October 2018. The adoption of the new standards that are effective on 1 October 2018 and SFRS(I) have no material impact on the financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>2H2019</b>	<b>2H2018</b>	<b>increase/ (decrease)</b>	<b>FY2019</b>	<b>FY2018</b>	<b>increase/ (decrease)</b>
	<b>cents</b>	<b>cents</b>	<b>%</b>	<b>cents</b>	<b>cents</b>	<b>%</b>
Earnings per ordinary share: -						
(a) Based on the weighted average number of ordinary shares in issue; and	0.46	0.36	27.8%	0.90	0.93	(3.2%)
(b) On a fully diluted basis	0.46	0.36	27.8%	0.90	0.93	(3.2%)

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**Profit attributable to  
ordinary shareholders**

	<b>2H2019</b>	<b>2H2018</b>	<b>FY2019</b>	<b>FY2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Profit for the financial period/ year	1,488	1,025	2,867	2,452

**Weighted-average number of  
ordinary shares**

**Number of shares**

	<b>2H2019</b>	<b>2H2018</b>	<b>FY2019</b>	<b>FY2018</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Issued ordinary shares as at the beginning of the period/ year	325,893	243,100	290,000	-
Restructuring Exercise on 11 October 2017	-	-	-	2,431
Share Split on 22 March 2018	-	-	-	240,669
Issuance of new shares pursuant to IPO on 18 April 2018	-	42,519	-	21,201
Effect of shares issued on 28 November 2018	-	-	30,091	-
<b>Weighted-average at 30 September</b>	<b>325,893</b>	<b>285,619</b>	<b>320,091</b>	<b>264,301</b>

The calculation of basic earnings per share for the relevant financial periods/ years were based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding.

The calculation of diluted earnings per share for the relevant financial periods/ years were based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding, after adjusting the effects of all dilutive potential ordinary shares.

The diluted earnings per share computations have not taken into consideration the effects of the

- (a) Convertible Bond, where up to 20,000,000 Conversion Shares at a conversion price of S\$0.25 per Conversion Share are to be issued upon conversion, as they are not “*in the money*”; and
- (b) Option Shares, carrying the right to convert and subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per share, as they are not “*in the money*”.

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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial year.

	The Group			The Company		
	30/09/2019 cents	30/09/2018 cents	increase/ (decrease) %	30/09/2019 cents	30/09/2018 cents	increase/ (decrease) %
Net asset value per ordinary share based on existing issued share capital (cents)	7.17	4.55	57.6%	7.85	4.92	59.6%

Net asset value per ordinary share is calculated by dividing the equity attributable to the owners of the Company by the number of ordinary shares issued as at the end of the relevant financial periods/ years.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**INCOME STATEMENT**

**Revenue**

**Revenue by segment**

	2H2019 S\$'000	2H2018 S\$'000	Change %	FY2019 S\$'000	FY2018 S\$'000	Change %
Orthopaedic <sup>(3)</sup>	5,655	5,216	8.4%	11,124	10,863	2.4%
Anaesthesia <sup>(4)</sup>	607	-	100.0%	1,081	-	100.0%
	6,262	5,216	20.1%	12,205	10,863	12.4%

**Note:**

<sup>(3)</sup> Orthopaedic segment includes revenue from the Group's physiotherapy practice.

<sup>(4)</sup> Revenue from Anaesthesia segment was for the period from 28 November 2018 to 30 September 2019.

# **ASIAN HEALTHCARE SPECIALISTS LIMITED**

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## **INCOME STATEMENT (CONTINUED)**

### ***Revenue (continued)***

For FY2019 and 2H2019, revenue increased by S\$1,342,000 or 12.4% and S\$1,046,000 or 20.1%, from S\$10,863,000 to S\$12,205,000 and from S\$5,216,000 to S\$6,262,000 respectively. The increase was mainly due to the acquisition of an anaesthesia arm on 28 November 2018, contributing S\$1,081,000 and S\$607,000 to the Group's revenue in FY2019 and 2H2019 respectively.

The increase in revenue from the Orthopaedic Services by S\$261,000 and S\$439,000 in FY2019 and 2H2019 respectively, was mainly attributable to an increase in the number of patient visits as compared to the corresponding period and year.

### ***Other income***

The Group's other income for FY2019 increased by S\$174,000 or 146.2% from S\$119,000 to S\$293,000. Other income for FY2019 comprised of S\$105,000 of government grants and S\$188,000 of interest income earned.

In 2H2019, other income increased by S\$59,000, from S\$104,000 in 2H2018 to S\$163,000 in 2H2019. Other income for 2H2019 comprised of S\$64,000 of government grants and S\$99,000 of interest income earned.

### **Items of expense**

#### ***Supplies and consumables used***

Supplies and consumables used comprise mainly expenses incurred to purchase implants, braces and drugs required for the provision of orthopaedic services.

For FY2019, expense arising from supplies and consumables used remained fairly stable, registering a decrease of S\$7,000 or 0.4%, from S\$1,716,000 to S\$1,709,000. For 2H2019, expense arising from supplies and consumables used increased marginally by S\$16,000 or 1.9%, from S\$827,000 to S\$843,000.

#### ***Purchased and contracted services***

For FY2019 and 2H2019, purchased and contracted services decreased by S\$96,000 or 56.1% and S\$88,000 or 82.2%, from S\$171,000 to S\$75,000 and from S\$107,000 to S\$19,000 respectively. The decrease was mainly due to reduced reliance on third party contracted services.

#### ***Staff costs***

For FY2019 and 2H2019, staff costs increased by S\$1,193,000 or 32.5% and S\$587,000 or 30.0%, from S\$3,666,000 to S\$4,859,000 and from S\$1,959,000 to S\$2,546,000 respectively. The increase was mainly due to the increase in number of staff hired, as the Group added a new orthopaedic surgeon to the hip and knee services, and expanded into providing anaesthesia and physiotherapy services.

# **ASIAN HEALTHCARE SPECIALISTS LIMITED**

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## **INCOME STATEMENT (CONTINUED)**

### **Items of expense (continued)**

#### ***Depreciation of plant and equipment***

For FY2019 and 2H2019, depreciation of plant and equipment decreased by S\$18,000 or 34.0% and S\$5,000 or 21.7%, from S\$53,000 to S\$35,000 and from S\$23,000 to S\$18,000 respectively, due to the full depreciation of some plant and equipment.

#### ***Other operating expenses***

For FY2019, other operating expenses decreased by S\$151,000 or 6.2%, from S\$2,441,000 to S\$2,290,000, was mainly due to decreased in professional fees, net of increase in operating lease expenses, insurance expenses and marketing expenses.

For 2H2019, other operating expenses remained fairly stable, registering a decrease of S\$40,000 or 3.4%, from S\$1,171,000 to S\$1,131,000.

#### ***Finance cost***

For FY2019 and 2H2019, the Group recorded finance cost of S\$163,000 and S\$89,000 respectively, related to the deemed interest expense on the convertible bond.

#### ***Profit before tax***

For FY2019 and 2H2019, the Group recorded an increase of profit before tax of S\$428,000 or 14.6% and S\$542,000 or 44.0%, from S\$2,935,000 to S\$3,363,000 and from S\$1,233,000 to S\$1,775,000 respectively. The increase was in tandem to the increase in revenue.

#### ***Tax expense***

For FY2019 and 2H2019, income tax expense increased by S\$17,000 or 3.5% and S\$83,000 or 39.9%, from S\$483,000 to S\$500,000 and from S\$208,000 to S\$291,000 respectively. The increase was in tandem to the increase in profit before tax.



# **ASIAN HEALTHCARE SPECIALISTS LIMITED**

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## **BALANCE SHEET**

**As at 30 September 2019**

### **Non-current assets**

Non-current assets increased by S\$10,204,000, from S\$24,000 as at 30 September 2018 to S\$10,228,000 as at 30 September 2019, mainly due to goodwill arising from the acquisition of a subsidiary. Non-current assets amounted to S\$10,228,000 or 34.5% of the Group's total assets. Non-current assets consist of goodwill of S\$10,144,000 arising from the acquisition of a subsidiary, and plant and equipment of S\$84,000, comprising furniture, fittings, and office equipment, renovations and computers.

### **Current assets**

Current assets increased by S\$4,805,000 or 32.9%, from S\$14,622,000 as at 30 September 2018 to S\$19,427,000 as at 30 September 2019, due to increase in (i) trade and other receivables by S\$633,000 or 41.5%, (ii) contract assets by \$170,000 or 229.7%, was in tandem to the increase in revenue coupled with slower collection of trade receivables; and (iii) cash and cash equivalents by S\$4,002,000 or 30.7% (for more details, refer to page 6 of this announcement for the statement of cash flows).

Current assets amounted to S\$19,427,000 or 65.5% of the Group's total assets. These consist of contract assets of S\$244,000; trade and other receivables (comprising of trade receivables, deposits, prepayments and other receivables) of S\$2,160,000; and cash and cash equivalents of S\$17,023,000 or 1.3%, 11.1% and 87.6% of the Group's total current assets respectively.

### **Non-current liabilities**

Non-current liabilities increased by S\$4,577,000, from S\$11,000 as at 30 September 2018 to S\$4,588,000 as at 30 September 2019, due to issuance of unsecured convertible bond. Non-current liabilities amounted to S\$4,588,000 or 72.8% of the Group's total liabilities, consisting mainly the unsecured convertible bond of S\$4,577,000 (for more details, refer to page 5 of this announcement).

### **Current liabilities**

Current liabilities increased by S\$285,000 or 20.0%, from S\$1,427,000 as at 30 September 2018 to S\$1,712,000 as at 30 September 2019, due to increase in (i) trade and other payables by S\$151,000 or 16.6%, mainly due to increase in accrued expenses; (ii) current tax payable by S\$32,000 or 6.2%; and (iii) contract liabilities by S\$102,000 or 100%. Current liabilities amounted to S\$1,712,000 or 27.2% of the Group's total liabilities. Current liabilities consist mainly of trade and other payables of S\$1,059,000 or 61.9% of the Group's total current liabilities; current tax payable of S\$551,000 or 32.2% of the Group's total current liabilities; and contract liabilities of S\$102,000 or 6.0% of the Group's total current liabilities.

### **Equity**

As at 30 September 2019, equity of S\$23,355,000 comprises issued and fully paid share capital of S\$22,047,000 and retained earnings of S\$3,184,000, net of other reserves of S\$1,876,000.

# **ASIAN HEALTHCARE SPECIALISTS LIMITED**

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## **CASH FLOW STATEMENT**

### **FY2019**

#### **Operating activities**

In FY2019, net cash generated from operating activities amounted to S\$2,622,000. This comprised operating cash flows before changes in working capital of S\$3,391,000 and interest received of S\$195,000, offset by net working capital outflows of S\$462,000 and income tax paid of S\$502,000. The net working capital outflows were due to an increase in trade and other receivables of S\$515,000 and an increase in contract assets of S\$170,000, net of an increase in trade and other payables of S\$121,000 and an increase in contract liabilities of S\$102,000.

#### **Investing activities**

Net cash used in investing activities amounting to S\$968,000, was attributed to (i) the purchase of plant and equipment of S\$76,000; and (ii) S\$892,000, being net cash payment for the acquisition of a subsidiary.

#### **Financing activities**

Net cash generated from financing activities amounted to S\$2,348,000, was mainly due to S\$5,000,000 of proceeds from issuance of convertible bond, net of dividends paid of S\$2,607,000.

### **2H2019**

#### **Operating activities**

In 2H2019, net cash generated from operating activities amounted to S\$1,884,000. This comprised operating cash flows before changes in working capital of S\$1,795,000, net working capital inflows of S\$240,000 and interest received of S\$109,000, offset by income tax paid of S\$260,000. The net working capital inflows were due to a decrease in trade and other receivables of S\$183,000, an increase in contract liabilities of S\$102,000, and an increase in trade and other payables of S\$125,000, net of an increase in contract assets of S\$170,000.

#### **Investing activities**

Net cash used in investing activity amounted to S\$30,000, was due to the purchase of plant and equipment.

#### **Financing activities**

Net cash used in investing activity amounted to S\$1,303,000, was due to dividends paid.

## ASIAN HEALTHCARE SPECIALISTS LIMITED

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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There was no forecast made.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

On the back of a growing and ageing population, coupled with an increasing percentage of insured patients in Singapore and the region, the growing demand for medical services in Singapore is expected to continue, which the Group believes that it would be able to ride on the growth. Nonetheless, the Group is mindful of the increasing operating costs and compliance costs and that the healthcare business remains highly competitive.

As such, the Group's strategic focus is on growth plans via acquisitions, joint ventures or strategic alliances, and investment into synergistic businesses and cross-disciplines, as well as investment in human talent, both at management level and in healthcare professionals, in order to strengthen the Group's market position.

11. **If a decision regarding dividend has been made, the required information has been disclosed.**

**(a) Whether an interim (final) ordinary dividend has been declared or recommended**

Yes. The Board has recommended a final one-tier tax exempt dividend of 0.9 Singapore cents per ordinary share (the "**Final Dividend**")

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	0.9 Singapore cent per ordinary share
Tax Rate:	Tax-exempt (one-tier)

**(b) Previous corresponding period**

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	0.4 Singapore cent per ordinary share
Tax Rate:	Tax-exempt (one-tier)

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

The dividend is one-tier tax exempt.

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**(d) The date the dividend is payable**

Subject to the shareholders' approval at the Annual General Meeting, the date payable will be announced in due course.

**(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Subjected to the shareholders' approval at the Annual General Meeting, the book closure date will be announced in due course.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable. The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

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**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**14. Segmented revenue and results for operating segments (of the group) presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

During FY2019, the Group acquired AAC, adding a new operating segment to the Group. For management purposes, the Group organised into the following reportable operating segments as follows:

- (1) Orthopaedic segment relates to provision of a wide spectrum of general and subspecialised orthopaedic, trauma and sports services such as knee/hip replacements, sports medicine/surgery, spine surgery, foot/ankle surgery and minimally invasive orthopaedic procedures, which also include physiotherapy practice.
- (2) Anaesthesia segment relates to provision of anaesthetic services for surgeries and procedures.
- (3) Corporate segment relates to the provision of group-level corporate services and strategic management function.

Tax expense is managed on a group basis and are not allocated to operating segments.

No presentation of geographical information has been presented as the Group's operations are mainly in Singapore.

	<b>Orthopaedic</b>		<b>Anaesthesia</b>		<b>Corporate</b>		<b>Total</b>	
	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>
<b>Revenue</b>								
External	11,124	10,863	1,081	-	-	-	12,205	10,863
<b>Total revenue</b>	<b>11,124</b>	<b>10,863</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,205</b>	<b>10,863</b>
<b>Segment Results</b>								
<b>Segment profit / (loss) from operations</b>	<b>3,706</b>	<b>4,420</b>	<b>746</b>	<b>-</b>	<b>(1,085)</b>	<b>(1,485)</b>	<b>3,367</b>	<b>2,935</b>
<b>Profit before tax</b>							<b>3,367</b>	<b>2,935</b>
Tax expense							(500)	(483)
<b>Profit for the year</b>							<b>2,867</b>	<b>2,452</b>

Profits from the Orthopaedic segment decreased mainly due to the increased staff costs arising from hiring of more medical professionals, including new surgeons. As the surgeons are newly recruited from the public sector, a developmental period is typically needed for them to build their practice with the Group.

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15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to item 8 and 14.

16. Breakdown of sales as follows:

	30/09/2019 S\$'000	Group 30/09/2018 S\$'000	Increase/(Decrease) %
Sales reported for the first half year	5,943	5,647	5.2%
Operating profit after tax reported for first half year	1,379	1,427	(3.4%)
Sales reported for the second half year	6,262	5,216	20.1%,
Operating profit after tax reported for second half year	1,488	1,025	45.2%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Please refer to item 11 for the Final Dividend recommended in respect of FY2019

Dividends declared and paid to the Company's shareholders		For the year ended 30 September	FY2019 S\$'000	FY2018 S\$'000
Interim dividend <sup>(5)</sup>	One-tier tax exempt	2018	-	800 <sup>(5)</sup>
Interim dividend	One-tier tax exempt	2018	-	580
Final dividend	One-tier tax exempt	2018	-	1,304
Interim dividend	One-tier tax exempt	2019	1,303	-
			<u>1,303</u>	<u>2,684</u>

**Note:**

<sup>(5)</sup> The Company was listed on Catalist of the SGX-ST on 20 April 2018. As set out in the Company's Offer Document dated 12 April 2018, an interim dividend of S\$800,000 was declared to the Shareholder of the Company on 31 January 2018 prior to its listing ("**Pre-Listing Interim Dividend**").

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		<b>Proposed dividend to the Company's shareholders but not recognised as a liability as at</b>	
		<b>30/09/2019</b>	<b>30/09/2018</b>
		<b>S\$'000</b>	<b>S\$'000</b>
Final dividend	One-tier tax exempt	2,933 <sup>(6)</sup>	1,304 <sup>(6)</sup>

**Note:**

<sup>(6)</sup> Based on the total issued and paid up number of ordinary shares in the capital of the Company of 325,892,857 ordinary shares.

**18. Use of proceeds**

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$9.5 million (the "Net Proceeds"). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as following:

<b>Use of proceeds</b>	<b>Allocation of Net Proceeds (as disclosed in the Offer Document)</b>	<b>Net Proceeds utilised as at the date of this announcement</b>	<b>Balance of Net Proceeds as at the date of this announcement</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Business expansion (including organic expansion and mergers and acquisitions)	8,500	(1,095) <sup>(7)</sup>	7,405
Working capital	1,017	(1,017) <sup>(8)</sup>	—
<b>Total</b>	<b>9,517</b>	<b>(2,112)</b>	<b>7,405</b>

**Note:**

<sup>(7)</sup> Pursuant to the SPA entered into on 26 October 2018 for the acquisition of AAC, S\$1 million cash consideration was paid on 28 November 2018. Further S\$95,000 share issuance expenses was paid, for professional fees, stamp duty and processing fees.

<sup>(8)</sup> The Group had utilized the net proceeds allocated to working capital for Group's monthly staff costs.

Pursuant to the Investment Agreement with Vanda 1 Investments Pte. Ltd., the Company had received S\$5.0 million, but has yet to utilise any of the said proceed. For more information on the said Investment Agreement, please refer to the announcement dated 15 October 2018.

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- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Group does not have any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

- 20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual.

**BY ORDER OF THE BOARD**

**CHIN PAK LIN**  
Executive Chairman and CEO  
26 November 2019