ASIAN HEALTHCARE SPECIALISTS

ORTHOPAEDIC HEALTHCARE SPECIALIST AND PROVIDER

ANNUAL REPORT
2019

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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: 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.

CORPORATE PROFILE

We are a group of experienced orthopaedic specialists who provide 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 Orthopaedic Centre

Asian Healthcare Specialists comprises an experienced group of specialists who provide 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. Asian Healthcare Specialists also has an anaesthesia arm and a physiotherapy practice.

Asian Healthcare Specialists Limited and its subsidiaries (collectively, the "**Group**") currently have 6 senior and experienced orthopaedic medical specialists operating at 4 clinics under "**The Orthopaedic Centre**" brand at convenient and accessible locations across Singapore. Each of its medical specialists are subspecialists in specific areas of orthopaedic, trauma and sports medicine, ranging from specialities in spine (neck and back), shoulder, elbow, hip, knee and foot and ankle. The Group's core business is supplemented by specialist anaesthetic capabilities as well as an in-house physiotherapy practice.

The Group aims to be a one-stop integrated healthcare provider for all musculoskeletal-related medical care, including post-surgery rehabilitation services such as physiotherapy and ancillary services such as pain management.

Common medical problems treated by the Group

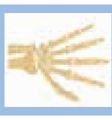
Spine

- Anterior Cervical Discectomy and Fusion
- Minimally Invasive Spine Fusion
- Spine Tumour
- Cervical Laminoplasty
- Spine Fractures

Shoulder

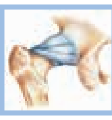
- Clavicle Fracture
- Rotator Cuff Injury
- Frozen Shoulder
- Complex Trauma

Hand and Wrist



- Carpal Tunnel Syndrome
- Trigger Finger Release
- Hand and Wrist Fractures
- Ganglion Cyst

Hip

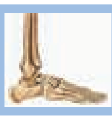


- Hip Fracture
- Hip Arthroscopy
- Hip Replacement and Revision Surgeries

Knee

- Knee Arthroscopy and Meniscus Repair
- Ligament Injuries
- Computer Aided and Robotic Total Knee Replacement
- Knee Revision Surgeries

Foot and Ankle



- Correction of Bunions Surgery
- Ankle Ligament Reconstruction
- Ankle Joint Replacement
- Tendon Achilles Repair
- Flat Foot Surgery

CHAIRMAN'S **MESSAGE**

With a view to strengthen our offering to our patients and creating value for our shareholders, we will continue our growth plans both in respect of our core business, and, as and when opportunities arise in the healthcare space, including other synergistic businesses and cross-disciplines.

Dear Shareholders,

It brings me great pleasure to present to you the Asian Healthcare Specialists Limited ("**AHS**" or the "**Company**") results for the financial year ended 30 September 2019 ("**FY2019**").

Listed on the Catalist of the SGX-ST on 20 April 2018, AHS shares the common goals of building confidence of its shareholders, investors and stakeholders ("**Stakeholders**"), long-term credibility and enhancing long-term shareholder value while maintaining strong and transparent relationships with Stakeholders, contributing to its success and growth.

ACHIEVEMENTS

On 11 July 2019, AHS was recognized by Singapore Business Review ("**SBR**") as an outstanding healthcare company, receiving the SBR Listed Companies Awards 2019 under the category of Health Products and Services which recognizes innovative projects and best practices with a significant business impact. With the aim of holistic management of pain in musculoskeletal care, this was made achievable by the acquisition of the anaesthesia arm, Asian Anaesthesia Care Pte. Ltd. and the setting up of a physiotherapy practice to complement our core business activity.

Further on 23 July 2019, AHS was awarded the Best Investor Relations Merit Award under the First Year Listed Companies Category at the Singapore Corporate Awards 2019. By having our Chief Financial Officer as the first channel of communication provides an effective, accurate and timely flow of information between AHS and its Stakeholders. AHS also maintains a current and dynamic website to allow all Stakeholders to obtain quick information and contact access.

Lastly, on 26 November 2019, AHS made its debut on the SGX Fast Track programme for recognition of high corporate governance standards and good compliance track record.

SUSTAINABILITY

AHS is fully committed to high standards and continuous improvement of its Corporate Governance ("**CG**") practices as a fundamental part of its responsibilities to ensure greater transparency and protection of shareholders' interests. Some CG initiatives include the implementation of relevant policies, fulfilling the Board Committees' duties within their terms of reference, clear disclosure of its remuneration policies, level and mix of remuneration/fees of each Director, CEO and key management personnel in accordance with the CG code, ensuring adequate and effective risk management systems and internal controls to safeguard shareholders' interests and its assets, implementing best practices for interested person transactions and its disclosure, and fulfilling its commitment in the Offer Document on recommending dividend of not less than 50.0% of the net profits attributable to shareholders for FY2019.

CHAIRMAN'S MESSAGE

Looking ahead, AHS remains focused in strengthening our offering of giving quality of life to patients and creating value for our shareholders. AHS also recognises the importance of considering sustainability issues as part of its strategy formation as we continue to grow both in respect of our core business, and, as and when opportunities arise in the healthcare space, including other synergistic businesses and cross-disciplines.

On 4 December 2019, AHS has entered into a sale and purchase agreement in relation to the proposed acquisition of 51% interest in Cornerstone Asia Health Pte. Ltd. which provides multidisciplinary healthcare services across different specialisations, offering key services in ophthalmology, urology, dermatology, gastroenterology and family medicine. The proposed acquisition provides the opportunity to diversify the Company's current portfolio and strengthen the Company's existing business of Orthopaedic and Anaesthesia.

APPRECIATION

On behalf of the Board, I would like to thank our patients and families for their confidence and faith in us to deliver our best to them. I also wish to convey my appreciation to all our doctors, clinical and management staff, professional parties and business associates for their dedication and unwavering support. Lastly in recognition of the firm support from our shareholders, the Board will be recommending a final dividend of 0.9 cents per share, subject to the shareholders' approval at the upcoming Annual General Meeting. We look forward to your continued support as we continue to scale new heights in the year ahead.

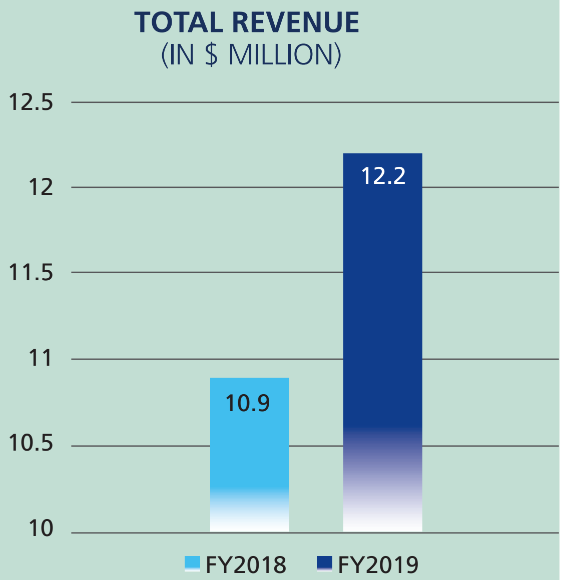
Dr Chin Pak Lin
Executive Chairman, Chief Executive Officer

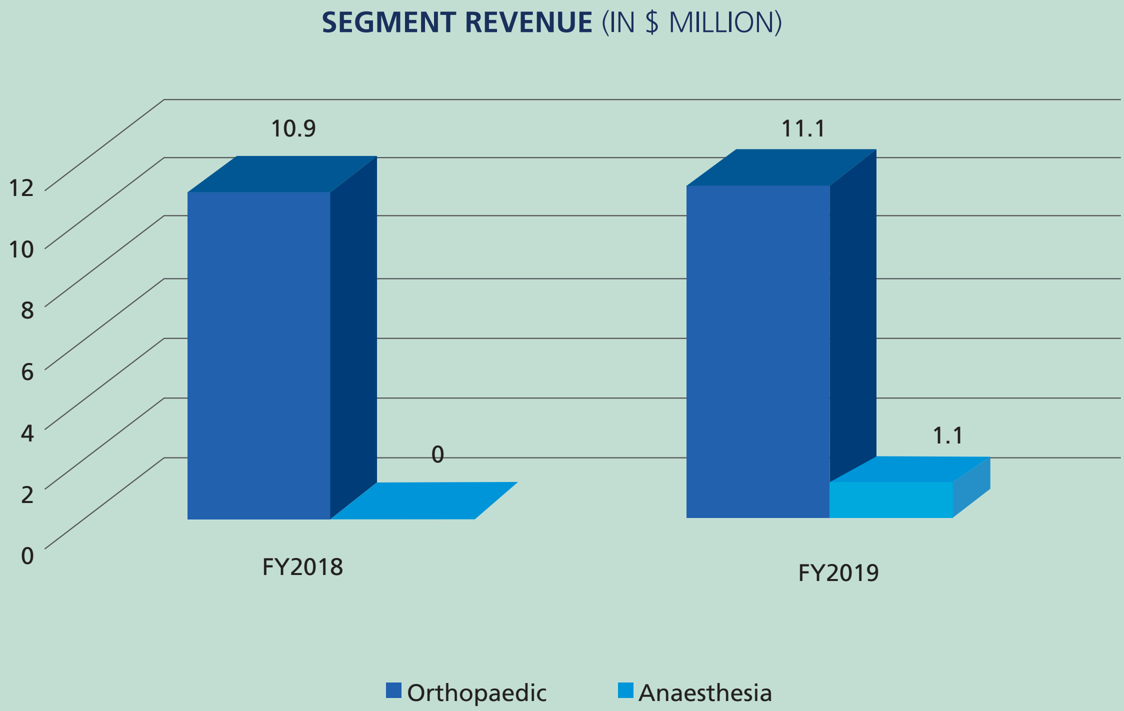
FINANCIAL HIGHLIGHTS

$12.2M
TOTAL REVENUE

The increase in revenue by $1.3 million or 12.4% in FY2019 was mainly due to the acquisition of an anaesthesia arm on 28 November 2018, contributed revenue of $1.1 million to the Group.

The increase in revenue from the Orthopaedic Segment by $0.2 million was mainly attributable to an increase in the number of patient visits as compared to last year.



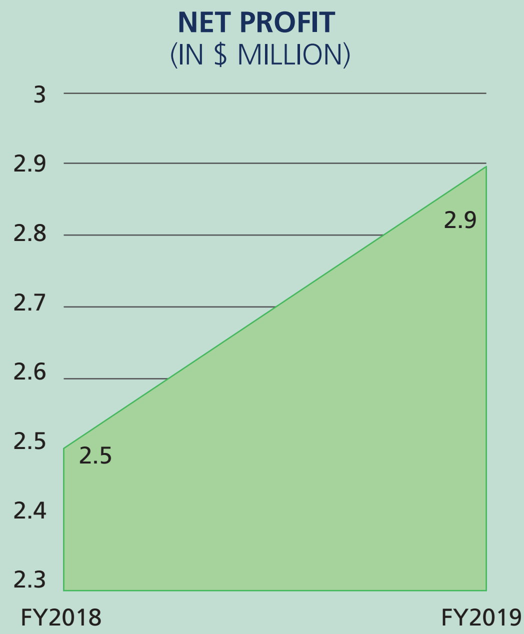


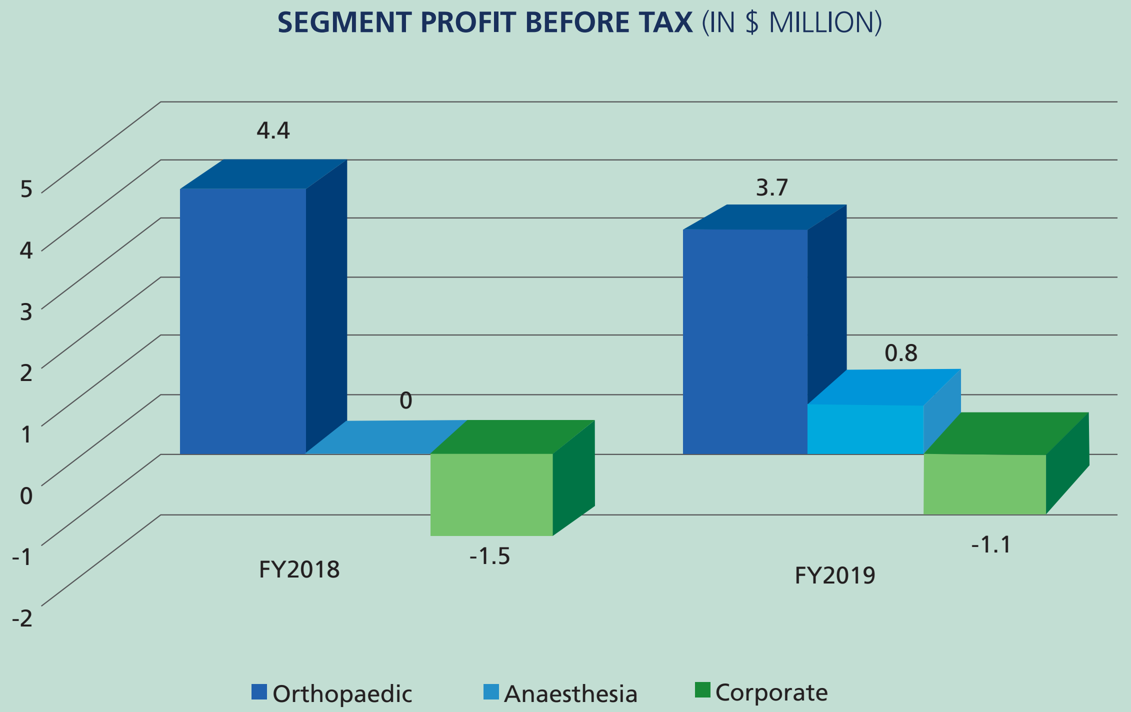
FINANCIAL HIGHLIGHTS

$2.9M
NET PROFIT

In tandem to the revenue growth, the net profit increased by $0.4 million or 16.9%.

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.





FINANCIAL **REVIEW**

REVIEW OF THE GROUP'S PERFORMANCE

REVENUE

The Group's revenue for FY2019 was $12.2 million, an increase of $1.3 million or 12.4%, from $10.9 million for the financial year ended 30 September 2018 ("**FY2018**"). The increase in revenue in FY2019 was mainly due to the acquisition of an anaesthesia arm on 28 November 2018, contributing $1.1 million to the Group's revenue in FY2019. The increase in revenue from the Orthopaedic segment by $0.2 million was mainly attributable to an increase in the number of patient visits as compared to last year.

OTHER INCOME

Other income for FY2019 increased by $0.2 million or 146.2%, to $0.3 million. Other income for FY2019 comprised of $0.1 million of government grants and $0.2 million of interest income earned.

SUPPLIES AND CONSUMABLES USED

For FY2019, expense arising from supplies and consumables used remained fairly stable at $1.7 million.

PURCHASED AND CONTRACTED SERVICES

For FY2019, purchased and contracted services decreased by $0.1 million or 56.1%, was mainly due to reduced reliance on third party contracted services.

STAFF COSTS

For FY2019, staff costs increased by $1.2 million or 32.5%, from $3.7 million to $4.9 million. 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.

DEPRECIATION OF PLANT AND EQUIPMENT

For FY2019, depreciation of plant and equipment decreased by $18,000 or 34.0%, from $53,000 to $35,000, due to the full depreciation of some plant and equipment.

OTHER OPERATING EXPENSES

For FY2019, other operating expenses decreased by $0.1 million or 6.2%, from $2.4 million to $2.3 million, was mainly due to decreased in professional fees, net of increase in operating lease expenses, insurance expenses and marketing expenses.

FINANCE COST

For FY2019, the Group recorded finance cost of $0.2 million, related to the deemed interest expense on the convertible bond.

PROFIT BEFORE TAX

For FY2019, the Group recorded an increase of profit before tax of $0.4 million or 14.6%, from $2.9 million to $3.4 million. The increase was in tandem to the increase in revenue.

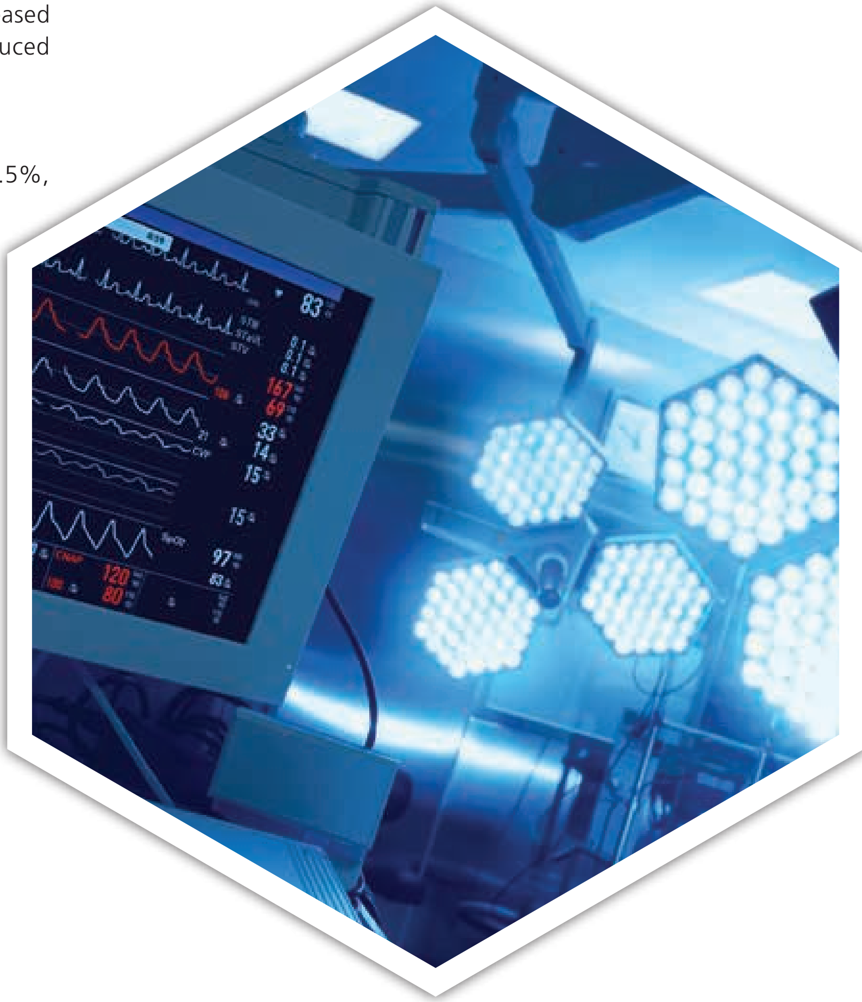
TAX EXPENSE

For FY2019, income tax expense increased by $17,000 or 3.5%, to $0.5 million. The increase was in tandem to the increase in profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

NON-CURRENT ASSETS

As at 30 September 2019, the Group's non-current assets increased by $10.2 million, mainly due to goodwill arising from the acquisition of a subsidiary. Non-current assets amounted to $10.2 million or 34.5% of the Group's total assets. Non-current assets consist of goodwill of $10.1



FINANCIAL REVIEW

million arising from the acquisition of a subsidiary, and plant and equipment of $0.1 million, comprising furniture, fittings, and office equipment, renovations and computers.

CURRENT ASSETS

As at 30 September 2019, the Group's current assets increased by $4.8 million or 32.9%, from $14.6 million as at 30 September 2018 to $19.4 million, due to increase in **(i)** trade and other receivables by $0.6 million or 41.5%, **(ii)** contract assets by $0.2 million 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 $4.0 million or 30.7%.

Current assets amounted to $19.4 million or 65.5% of the Group's total assets. These consist of contract assets of $0.2 million; trade and other receivables of $2.2 million; and cash and cash equivalents of $17.0 million or 1.3%, 11.1% and 87.6% of the Group's total current assets respectively.

NON-CURRENT LIABILITIES

As at 30 September 2019, the Group's non-current liabilities increased by $4.6 million, due to issuance of unsecured convertible bond. Non-current liabilities amounted to $4.6 million or 72.8% of the Group's total liabilities, consisting mainly the unsecured convertible bond.

CURRENT LIABILITIES

As at 30 September 2019, the Group's current liabilities increased by $0.3 million or 20.0%, from $1.4 million as at 30 September 2018 to $1.7 million, due to increase in **(i)** trade and other payables by $0.2 million or 16.6%, mainly due to increase in accrued expenses; **(ii)** current tax payable by $32,000 or 6.2%; and **(iii)** contract liabilities by $0.1 million or 100%. Current liabilities amounted to $1.7 million or 27.2% of the Group's total liabilities. Current liabilities consist mainly of trade and other payables of $1.1 million or 61.9% of the Group's total current liabilities; current tax payable of $0.5 million or 32.2% of the Group's total current liabilities; and contract liabilities of $0.1 million or 6.0% of the Group's total current liabilities.

EQUITY

As at 30 September 2019, the Group's equity of $23.3 million comprises issued and fully paid share capital of $22.0 million and retained earnings of $3.2 million, net of other reserves of $1.9 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

OPERATING ACTIVITIES

For FY2019, net cash generated from operating activities amounted to $2.6 million. This comprised operating cash flows before changes in working capital of $3.4 million and interest received of $0.2 million, offset by net working capital outflows of $0.5 million and income tax paid of $0.5 million. The net working capital outflows were due to an increase in trade and other receivables of $0.5 million and an increase in contract assets of $0.2 million, net of an increase in trade and other payables of $0.1 million and an increase in contract liabilities of $0.1 million.

INVESTING ACTIVITIES

For FY2019, net cash used in investing activities amounted to $0.9 million, was mainly due to payment for acquisition of subsidiary, net of cash acquired.

FINANCING ACTIVITIES

For FY2019, net cash generated from financing activities amounted to $2.3 million, was mainly due to $5.0 million of proceeds from issuance of convertible bond, net of dividends paid of $2.6 million.

BOARD OF DIRECTORS

DR CHIN PAK LIN

Executive Chairman/Chief Executive Officer
Medical Specialist: Orthopaedic
Special Interest: Hip and Knee

Dr Chin Pak Lin is the Executive Chairman and Chief Executive Officer ("**CEO**") and was first appointed to the Board on 27 September 2017, and was last re-elected on 28 January 2019. Dr Chin was one of the founding members of The Orthopaedic Centre and has been a Medical Specialist with the Group since 2013. In addition to his role as a medical specialist, Dr Chin has been actively managing the Group as the CEO and making executive decisions at the Group level in relation to the operations and business direction of the Group.

Dr Chin graduated from National University of Singapore ("**NUS**") with a Bachelor of Medicine and Bachelor of Surgery in 1998 and subsequently obtained his Masters of Medicine in Orthopaedic Surgery in 2003 from the Graduate School of Medical Studies, NUS. In 2007, Dr Chin qualified for his fellowship in Orthopaedic Surgery with the Royal College of Surgeons of Edinburgh, United Kingdom and in 2008, Dr Chin received the Health Manpower Development Programme scholarship from MOH to pursue advance training in joint replacement at the Manchester Royal Infirmary, United Kingdom.

Dr Chin has previously held various appointments such as, *inter alia*, a Director of the Musculoskeletal Bone Bank, an Adjunct Assistant Professor at Duke-NUS Graduate Medical School and a consultant to the Stryker Knee Navigations, Zimmer Knee Arthroplasty and to the Department of Orthopaedic Surgery, Singapore General Hospital ("**SGH**").

As an active volunteer in medical missions, Dr Chin has participated in the Pakistan Earthquake Medical Mission Trip under SingHealth and Cambodia Medical Mission Specialist Programme in Calmette Hospital in Phnom Penh under Singapore International Foundation. To date, he is still an active volunteer at the Ang Mo Kio – Thye Hwa Kwan Community Hospital.

BOARD OF DIRECTORS

DR YUE WAI MUN

Executive Director/Chief Medical Officer
Medical Specialist: Orthopaedic
Special Interest: Spine

Dr Yue Wai Mun is an Executive Director and the Chief Medical Officer ("**CMO**") of the Group and was first appointed to the Board on 27 September 2017. Dr Yue joined the Group as a medical specialist with a special interest in spine and scoliosis surgery in 2015 and is presently an Adjunct Associate Professor at the Duke-NUS Graduate Medical School and Clinical Senior Lecturer at NUS.

Dr Yue graduated with a Bachelor of Medicine and Bachelor of Surgery in 1992 from NUS and was admitted as a Fellow of the Royal College of Surgeons of Edinburgh in 1998. He became a Fellow of the Academy of Medicine (Orthopaedic Surgery) in 2004.

From 2009 to 2015, Dr Yue was a Senior Consultant in the Spine Service of the Department of Orthopaedic Surgery, SGH. He held a concurrent post as the Director of the Spine Fellowship Programme and Director of Quality Assurance and Clinical Governance. Further, Dr Yue was on the Master of Medicine (Orthopaedic) Committee and remains an examiner for the Joint Specialty Fellowship Examination in Orthopaedic Surgery, Master of Medicine Examination in both Orthopaedic Surgery and Family Medicine and the Bachelor of Medicine and Bachelor of Surgery Examination in NUS.

MR LEOW CHUNG CHONG YAM SOON

Lead Independent Director

Mr Leow Chung Chong Yam Soon is the Lead Independent Director of the Company and was first appointed to the Board on 28 March 2018, and was last re-elected on 28 January 2019. Mr Leow is presently a partner in Ecovis Assurance LLP as well as a Director of Ecovis Advisory Pte. Ltd. and Spring & Associates PAC. Prior to that he was an audit partner with Deloitte & Touche LLP. Mr Leow has more than 20 years of accounting and financial audit experience. Mr Leow is currently an Independent Director of Fragrance Group Limited, a company listed on the Main Board of the SGX-ST and an Independent Director of No Signboard Holdings Ltd., a company listed on the Catalist.

He is a practicing member of the Institute of Singapore Chartered Accountants (ISCA). He is also a Fellow Chartered Association of Certified Accountants, UK and Certified Public Accountants, USA.

BOARD OF DIRECTORS

MR SIEK WEI TING, RYAN Independent Director

Mr Siek Wei Ting, Ryan is an Independent Director of the Company and was first appointed to the Board on 28 March 2018, and was last re-elected on 28 January 2019. Mr Siek is presently the Finance Director of V3 Group Pte Ltd. He is concurrently a Non-Executive Director of China Minzhong Food Corporation Pte. Ltd., a company formerly listed on the Main Board of the SGX-ST.

Prior to joining China Minzhong Food Corporation Pte. Ltd., Mr Siek was the Head of Operations Group, Southern Bank Berhad from 2002 to 2004 and a Director and Chief Executive Officer of EBBiS Pte Ltd from 1999 to 2001.

Mr Siek worked as an audit supervisor for Ernst & Young LLP from 2001 to 2002 and for Deloitte & Touche LLP from 1996 to 1999. He graduated with a Bachelor of Accountancy from the Nanyang Technological University in 1996.

MR VIKRAM NAIR Independent Director

Mr Vikram Nair is an Independent Director of the Company and was first appointed to the Board on 28 March 2018, and was last re-elected on 28 January 2019. He is presently a partner at Rajah & Tann Singapore LLP and heads its India desk and is also a Member of Parliament for the Sembawang Group Representation Constituency.

Mr Nair is qualified in both Singapore and English law and has more than 13 years of experience as a practicing lawyer specializing in international arbitration and commercial and corporate litigation, with particular experience in handling complex, multi-jurisdictional disputes in services such as banking, finance, oil & gas, manufacturing, mining, construction and property development.

Prior to commencing legal practice, Mr Nair was a management consultant at McKinsey & Company from 2002 to 2004.

Mr Nair graduated with a Bachelor of Arts with Honours in law from the University of Cambridge.

EXECUTIVE OFFICERS

DR SU HSIEN CHING DAVID

Medical Specialist: Orthopaedic
Special Interest: Foot and Ankle

Dr Su Hsien Ching David is a Medical Specialist and a co-founder of the Group.

Dr Su graduated with a Bachelor of Medicine and Bachelor of Surgery in 1999 from NUS and also obtained his post-graduate medical qualifications from NUS in 2005. In 2008, Dr Su qualified for his fellowship in Orthopaedic Surgery with the Royal College of Surgeons of Edinburgh.

Prior to establishing the Group in 2013, Dr Su was a Consultant Orthopaedic Surgeon and the Director of the Foot and Ankle Service at the Department of Orthopaedic Surgery, SGH. At the same time, Dr Su held an appointment as an Adjunct Assistant Professor at the Duke-NUS Medical School. He has served as Honorary Secretary of the Singapore Orthopaedic Association in the past.

DR TAN CHYN HONG

Medical Specialist: Orthopaedic
Special Interest: Shoulder, Knee and Elbow

Dr Tan Chyn Hong is a Medical Specialist and also a co-founder of the Group.

Dr Tan graduated with a Bachelor of Medicine and Bachelor of Surgery in 1998 from NUS and also obtained a Master of Medicine in Orthopaedic Surgery from NUS in 2004. In 2008, Dr Tan qualified for his fellowship in Orthopaedic Surgery with the Royal College of Surgeons of Edinburgh.

Prior to establishing the Group, Dr Tan was a Consultant and the Head of the Division of Sports Medicine at the National University Hospital ("**NUH**") in Singapore from 2012 to 2014. From 2010 to 2014, Dr Tan was also a Consultant in the Division of Shoulder and Elbow injury.

Dr Tan's academic achievements includes being awarded the inaugural College of Surgeons Gold medal from the Academy of Medicine Singapore for being the most outstanding candidate in the fellowship examination in Orthopaedic Surgery from the Royal College of Surgeons of Edinburgh in 2007. In the same year, he was part of a workgroup appointed by MOH to develop the national clinical practice guidelines in the treatment of osteoarthritis of the knee.

EXECUTIVE OFFICERS

DR LIM TET CHEN ROY

Medical Specialist: Anaesthesia
Special Interest: Paediatric Cardiac and Adult Cardiothoracic

Dr Lim Tet Chen Roy, who joined the Group in November 2018, is a Specialist Anaesthesiologist of the Group. He has been providing anaesthetic services in the private healthcare sector in Singapore since 2013.

Dr Lim obtained his Bachelor of Medicine Degree from NUS in 1998. He subsequently pursued and obtained a Master of Medicine in Anaesthesiology in 2009. In 2011, Dr Lim completed his clinical fellowship specialising in Paediatric Cardiac and Adult Cardiothoracic Anaesthesia at the Royal Brompton Hospital in London.

Upon completion of his fellowship, Dr Lim joined NUH as a consultant who provided general anaesthetic services for operations and subspecialized cardiothoracic anaesthesia for paediatrics and adults.

As a strong advocate of imparting accumulated knowledge and experience to the younger generation, Dr Lim was appointed as a Clinical Tutor in 2007 by NUS whose duties included bed side teaching and tutorials of medical students undergoing the anesthesia module in the undergraduate curriculum. In addition, he was also the lecturer for the Core Lectures in Anaesthesia Training which is a structured training program for Basic Specialist Trainees as well as tutor for the Primary and Final Masters of Medicine (Anaesthesiology) Examination Preparatory Course which was attended by both local and international candidates.

MR TRAVIS SEET KAH WAI

Chief Financial Officer (CFO)

Mr Travis Seet Kah Wai was appointed as CFO of the Group in July 2017. He is responsible for overseeing the Group's financial, taxation, and regulatory compliance functions.

Mr Travis Seet has over 15 years of experience in audit, corporate finance, accounting and financial management. Prior to joining the Group, he was the Group Financial Controller from 2008 to 2013 and thereafter the Group Deputy Chief Financial Officer from 2013 to 2017 of China Minzhong Food Corporation Limited, a company listed on the Main Board of the SGX-ST until 2017. From 2004 to 2008, he worked as an auditor with PricewaterhouseCoopers, Singapore.

Mr Travis Seet graduated with a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University in 2004 and is qualified as a Chartered Accountant in Singapore.

EXECUTIVE OFFICERS

MS KWEK JIN MEI VIOLET Chief Operating Officer (COO)

Ms Kwek Jin Mei Violet is the Group's COO who has been with the Group since its inception in 2013. She is a registered nurse who occasionally assists the medical specialists in complex surgeries.

Prior to joining the Group, Ms Violet Kwek worked as a senior staff nurse at SGH. Her dedication to her profession and her patients has been recognised in several awards which include, inter alia, 100% work attendance for numerous years, the Excellent Service (Silver) Award and the Singapore Health Quality Service Award (Silver).

Ms Violet Kwek graduated from the Faculty of Nursing and Midwifery, University of Sydney with a Bachelor of Nursing in 2013 and is a registered nurse under the Singapore Nursing Board. Prior to that, she pursued a Diploma in Nursing as well as an Advanced Diploma in Nursing (Perioperative) at the Nanyang Polytechnic.

MEDICAL SPECIALISTS

DR MOHAMMAD MASHFIQUL ARAFIN SIDDIQUI

Medical Specialist: Orthopaedic
Special Interest: Spine

Dr Mohammad Mashfiqul Arafin Siddiqui is a Medical Specialist of the Group who joined in November 2017. Dr Mash's special interests is in complex spine surgery and prior to joining the Group, he was a Consultant at the Spine Service in the Department of Orthopaedic Surgery at SGH as well as Visiting Consultant to KK Women's and Children's Hospital.

Dr Mash obtained his basic degree from NUS. He subsequently pursued his post-graduate training in Orthopaedic Surgery and obtained his fellowship from the Royal College of Surgeons of Edinburgh. He later underwent specialised training in spinal surgery at the Royal Alexandra Hospital, University of Alberta Hospital and the Stollery Children's Hospital under renowned spinal surgeons with both orthopaedic and neurosurgical backgrounds.

In addition to being an advocate of using minimal access surgical techniques to achieve a quicker recovery from surgery, Dr Mash is also well-versed in the usage of both 2-D and 3-D computer navigation techniques for spinal surgery and utilises them when necessary to give his patients the best clinical outcome. He is one of the few surgeons in Singapore experienced in dealing with the resection of massive sacral tumours and subsequent reconstruction of the spine to the pelvis.

MEDICAL SPECIALISTS

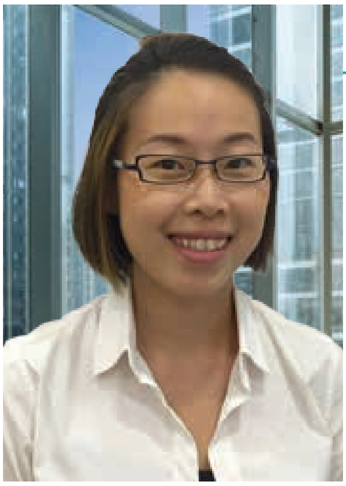
DR TAN SOK CHUEN

Medical Specialist: Orthopaedic
Special Interest: Hip and Knee

Dr Tan Sok Chuen is a Medical Specialist of the Group who joined in January 2019. Prior to joining the Group, Dr Tan Sok Chuen was a Consultant in the Hip and Knee Service of the Department of Orthopaedic Surgery, Ng Teng Fong General Hospital. She was also the Core Clinical Faculty Member for Postgraduate Year One Teaching Program.

Dr Tan Sok Chuen obtained her basic medical degree from NUS in 2004. She subsequently pursued her post-graduate training in Orthopaedic surgery and obtained her fellowship from the Royal College of Surgeons of Edinburgh. With a special interest in hip and knee surgery, she completed her clinical fellowship in Hip & Knee Surgery at Nuffield Orthopaedic Centre, Oxford, United Kingdom in 2016.

As a strong advocate of training younger doctors, Dr Tan Sok Chuen holds the position of Adjunct Assistant Professor in the Clinical Faculty for Medical Undergraduate Teaching Program. Throughout her practice, she was the Advanced Trauma Life Support Instructor in 2013, table instructor for the Direct Anterior Hip Cadaveric Course of London Health Sciences Centre in 2015, faculty and speaker for Residency Basic Knee and Hip Cadaveric Course. In addition, she was also the Chief Convenor for Joint Specialty Fellowship Examination for Orthopaedics in 2018.



MISS CINDY CHAN YIEN SAN

Physiotherapist

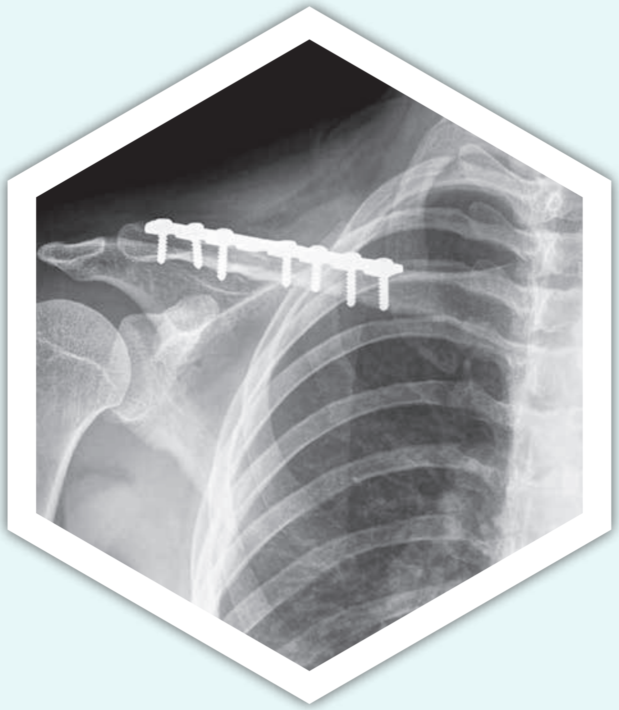
Miss Cindy Chan Yien San, who joined us in November 2018, is a Physiotherapist of the Group.

Miss Chan began her career at SGH in 2006 as a junior physiotherapist attached to the Outpatient Spine team and was trained in chronic pain management. In 2007, she was appointed to represent the Pain Management team which comprises of doctors, clinical psychologists and nurses; to introduce the Pain Management Program to other healthcare professionals during the ASEAN and Singapore Pain Conference.

Miss Chan left SGH in 2008 to practice as a locum in various step-down facilities. Working in a nursing home and community hospital provided valuable opportunities for her to enhance her skills by exposing her to patients affected by orthopaedic dysfunctions, musculoskeletal impairments and other common geriatric diseases. In recent years, Miss Chan has focused on treating athletes with physical disabilities, sports teams and international performers. In order to achieve the best results for her patients, Miss Chan employs a combination of cognitive behaviourial therapy, active modification and graded rehabilitation programs with staged treatment goals.

In addition to her clinical practice, Miss Chan has conducted Pain Management, Ergonomics and Sports-related talks to schools and clubs. She was also a part-time lecturer at Republic Polytechnic between 2013 and 2015.

SUSTAINABILITY REPORT



Our goal is, and has always been, to give movement, quality and life to years

BOARD STATEMENT

Beginning last year on our journey as a listed company, sustainability will always be intrinsically an underlying consideration in our decision-making on the best interests of our patients and business strategies.

The Board has been involved in discussing the material issues that are important to our stakeholders. In this report, we will discuss the environmental, social and governance factors and our efforts to improve and integrate sustainability into our operations.

ABOUT THIS REPORT

This report presents information for the financial year ended 30 September 2019 and covers our sustainability policies and performances as well as our strategy for the future. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

This report will focus on our Singapore-based operating clinics where the majority of our work is carried out, omitting the consultancy services we provide in Myanmar. Our locally based clinics are:

- The Orthopaedic Centre (Novena) Pte Ltd
- The Orthopaedic Centre (Farrer) Pte Ltd
- The Orthopaedic Centre (Gleneagles) Pte Ltd
- The Orthopaedic Centre (Orchard) Pte Ltd

While we have opted not to obtain external assurance for this report, we will strive to continue improving our reporting processes and quality; and may consider external assurance for future reports. If you have any comments on our sustainability report, please feel free to reach us at the following address: travis.seet@toc.com.sg.

SUSTAINABILITY REPORT

ABOUT ASIAN HEALTHCARE SPECIALISTS

Based in Singapore, listed on the Catalist of the SGX-ST and operating under "The Orthopaedic Centre" brand, the Group provides 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. AHS also has an anaesthesia arm and a physiotherapy practice.

The Group has 6 senior and experienced orthopaedic medical specialists operating at 4 clinics across Singapore. The Group aims to be a one-stop integrated healthcare provider for all musculoskeletal-related medical care, including post-surgery rehabilitation services such as physiotherapy and ancillary services such as pain management.

As our clinics are all located in the medical centres within the hospitals, part of the maintenance and facility fee covers the energy and waste disposal.

Our supply chain consists of medical supplies and consumables, medical equipment, doctors and nurses.

SUSTAINABILITY GOVERNANCE

Ethical medicine is the foundation of our practice. Our mission is to work towards giving movement, quality and life to years. We believe wholeheartedly in the work we do and are committed, equally, to commencing our sustainability journey. Each of the clinic managers are responsible for keeping track of the sustainability performance of their clinic. They pass this information to senior management who in turn report our sustainability performance to the Board. The Board has ultimate oversight over our sustainability strategy, and works closely with senior management to formulate and refine the agenda.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Based on the materiality workshop performed with the help of an external consultant last year, followed by a peer-benchmarking exercise, we have identified a list of issues that our management felt have the greatest impact on our stakeholders. The completed list is as shown:

ENVIRONMENTAL
- Medical and Bio-hazardous waste

SOCIAL
- Employee Welfare and Retention
- Workplace Health and Safety
- Corporate Social Responsibility

GOVERNANCE
- Patient Satisfaction and Quality of Care
- Regulatory and Legal Compliance
- Fair Pricing and Billing Transparency
- Patient Data Personal Privacy

STAKEHOLDER ENGAGEMENT

AHS values all of its stakeholders. Particularly as a small company, stakeholder engagement is critical to our success. We consider our stakeholders those who rely on, and those who affect our business.

Stakeholder	Frequency	Method	Topics raised	Our response
Employees	• Regularly • Monthly	• Lunches and dinners • Management meetings	• Welfare and wellbeing • Health and safety • Training and development	• Flexible support to grow knowledge • Team bonding through meals and meetings
Investors	• Annual • Half Yearly • Ad hoc	• Annual General Meeting • Annual reports • SGX Announcements	• Performance review • Legal and regulatory compliance	• Provision of half yearly announcements and investor relations website
Patients	• Ad hoc	• In-person • Calls • Meetings	• Patient satisfaction	• Frequent communication to ensure repeat business and patient wellbeing and satisfaction
Regulators/ Government	• Ad hoc	• Meetings • Conferences	• Legal and regulatory compliance • SGX listing requirements	• Frequent meetings with various regulatory bodies to ensure up-to-date compliance • Regular attendance of medical conferences
Suppliers	• Regularly	• Meetings • Emails	• Product quality • Health and safety	• Ensure high quality by screening suppliers through partner hospitals

SUSTAINABILITY REPORT

ENVIRONMENT

The progress of modern medicine has been astounding, as such our clinical practice produce very unique wastes such as sharp objects of used needles and syringes, pharmaceutical wastes like expired and contaminated drugs and infectious wastes including soiled dressings, blood and bacterial cultures.

Either directly or indirectly, these medical wastes releases pathogens and toxic pollutants and the improper management of medical wastes can lead to big health and environment impacts.

MEDICAL AND BIO-HAZARDOUS WASTES

MANAGEMENT APPROACH

At AHS, we put in considerable efforts to the proper segregation of wastes into three main different disposal bins: sharps, biohazardous and non-hazardous. This is essential as it helps to provide a safe and sustainable environment for the public but also in passing on available solutions and best practices to other hospitals on healthcare waste management.

As our clinics are located in the medical centers within the private hospitals, we will place our respective wastes in the shared bins which are then collected by the contractors chosen by the hospital.

Within our biohazardous wastes, we produce five types of wastes:

- Infectious,
- Chemical,
- Sharps.
- Pathological,
- Pharmaceutical, and

Of these, we are independently responsible for the purchase of the "Sharps Container" to dispose of our sharps wastes. Sharps wastes refers to any device or object that is used to puncture to lacerate the skin; such as hypodermic needles, disposal scalpels and blades and contaminated glass.

While the most effective waste management solution is not to produce wastes in the first place, it is an impossible standard. Thus, we have opted for greener alternatives where we assist in the separation of our clean medical wastes into paper, plastic or glass bottles for recycling.

PERFORMANCE

Although we do not measure the amount of sharps wastes we dispose, we estimate our total sharps wastes based on how frequently we empty the 6 and 10 litres bins we keep in the clinics. As our Novena clinic has the heaviest patient traffic, it has a significantly higher amount of wastes generated relative to the other clinics. All medical and bio-hazardous wastes are properly managed by our clinics in accordance with the rules and regulations from Ministry of Health ("**MOH**") and National Environment Agency (''**NEA**").

In FY2019, there were no incidents of non-compliance with the rules and regulations from MOH and NEA.

TARGETS

- To continue to achieve full compliance with the rules and regulations from MOH and NEA

SUSTAINABILITY REPORT

SOCIAL

As a healthcare facility, AHS depends on the expertise of the doctors and nurses, thus placing immense value in its employees. As a small company, we are a close-knit team that constantly ensures the wellbeing and happiness of all of our employees. Our small size enables us to communicate with one another effectively and keep tabs on each of our workers.

Guided by our values, we also believe in giving back to community through our healthcare expertise. We believe this helps strengthen the trust our communities hold in our brand.

EMPLOYEE WELFARE AND RETENTION

MANAGEMENT APPROACH

The recruitment policy of AHS is built based on a transparent and unbiased selection process, one that results in the appointment of the best candidate for the job, based solely on merit and best-fit with our organization values, philosophy and goals.

Upon recruitment, the employee is assigned to a preceptor who will be responsible to assist the new staff with his/her orientation and ensuring the individual is able to cope in the new environment. A training handbook is supplied to the new employee to familiarise themselves with the policies of the company.

In addition, AHS strongly believes in the retention of current employees through training and skills upgrading courses. Our junior finance team attended Asian Business Software Solutions Course to enhance their knowledge of their daily work efficiency.

SUSTAINABILITY REPORT

Our doctors regularly attend the peer review learning held weekly in the private hospitals of Singapore to ensure they have sufficient hours to maintain their practicing licenses as mandated by the Singapore Medical Council. Other than the local education training, our doctors also attended overseas conferences such as:

- The 12th combined meeting of Asia Pacific Spine Society and Asia Pacific Paediatric Orthopaedic Society held in Incheon, Korea was attended by Dr Yue Wai Mun. The three days symposium covered extensively on topics such as navigation and robotic spine surgeries, various complex spinal conditions and the efficacy of the new versus conventional treatments.

- Dr Yue also attended the North American Spine Society's (NASS) 34th Annual meeting in Chicago which addressed topics such as spine implants and discussion of new scientific developments and best practices in spine care.

- The International Foot and Ankle Course which was organised by Arthrex was attended by Dr David Su. During the two-day course, it sets out to deliver up-to-date information in the specific topic areas of forefoot injuries and complications, flat foot reconstructions, deformity corrections, ankle arthritis, soft tissue repairs and foot fractures. The course format consisted of lectures, interactive discussions and hands-on surgical technique training in a cadaver laboratory setting.

- Dr Mashfiqul's research paper on Mesenchymal Stromal Cell derived osteoprogenitors for the treatment of degenerative disc disease was presented by fellow researcher Dr Poon Zhiyong at American Academy of Orthopaedic Surgeons (AAOS) 2019 Annual Meeting in March held in Las Vegas, Nevada.

- Together with two other orthopaedic surgeons, Dr Chin also contributed to a chapter of the book titled "Robotics in Knee and Hip Arthroplasty: Current Concepts, Techniques and Emerging Uses" which was published in October 2019. The chapter discussed about the "Total Knee Arthroplasty Technique: TSolution One (Robodoc)" and its clinical success and excellent radiological and functional outcomes associated with accurate joint alignment restoration after robotic assisted total knee replacement.

Further, AHS has launched a new sponsorship programme for its employees to further their studies. This year, two employees were awarded a sponsorship in accountancy and counselling. Within the sponsorship, the employee is awarded with financial and non-financial incentives such as study leave; which are determined by guidelines proposed by senior management. All employees are also subject to annual performance review and receive constant performance feedbacks from their immediate superiors.

AHS provides medical and dental insurance to all employees, along with all annual leave and ancillary leaves in accordance with the guidelines of the Ministry of Manpower ("**MOM**"). We also strongly believe in celebrating birthdays and festive occasions such as Chinese New Year and Christmas dinners are staple events in our year.

To ensure that all policies and protocols written are to the best interests of our patients and employees, we hold informal regular small group meetings to obtain feedback or any grievances from our employees.

SUSTAINABILITY REPORT

PERFORMANCE

Number of Headcount	Medical Practitioners	Nursing	Administration	Management and Finance	Total
As at 30 September 2018	5	3	6	3	17
As at 30 September 2019	8	3	11	5	27

In FY2019, AHS had achieved 0% turnover rate, excluding employee joined and left during the same financial year.

TARGETS

- To continue to assess specific training needs for all employees and improve the training programme for FY2020
- To continue to maintain a turnover rate of 15% or less (excluding employee joined and left during the same financial year)
- To continue to provide further training opportunities or award sponsorships to secure high quality fresh talent

WORKPLACE HEALTH AND SAFETY

MANAGEMENT APPROACH

As working in a medical clinic poses the risks of transmission of infectious diseases, we have well established safety practices that are placed with great emphasis to all of our employees.

When new employees join the team, basic medical knowledge and emergency preparedness training plays a huge part of their orientation. During their training, they are provided with a training handbook of which their allocated preceptor will educate them on our safety protocols such as basic handwashing, handling of sharps and other biomedical wastes. At the end of their probation, they will be assessed by the clinic managers on their ability to handle the various administrative or clinical procedures.

PERFORMANCE

In FY2019, there were no incidents of work-related ill health.

TARGETS

- To maintain zero incidents of work-related ill health
- To continue to identify and investigate safety hazards for employees to improve safety practices
- To continue to improve the safety training and advocate of employees on safety best practices in FY2020

SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY

MANAGEMENT APPROACH AND PERFORMANCE

Together with our healthcare suppliers and hospitals, AHS has organised public forums where our medical specialists share their knowledge with their fellow medical peers and the general public on orthopaedic conditions and the latest treatments available. The public forms that our doctors have attended are as follows:

Date	Content and Speaker
28 February	Chronic Disease Management Updates: Updates in Osteoarthritis Speaker: Dr Mashfiqul
13 April	GP Symposium: Updates on Orthopaedic Conditions Speakers: Dr Tan Chyn Hong, Dr David Su, Dr Mashfiqul, Dr Tan Sok Chuen
5 August	Semarang Indonesia Speaker: Dr Tan Sok Chuen

SUSTAINABILITY REPORT

On a weekly basis, both Dr Chin and Dr Mashfiqul visits Ang Mo Kio Community Hospital to provide free consultancy services and ward rounds to the patients who requires orthopaedic care and review. In addition, as a volunteer of the Lion Befriender Service Association, Dr David Su goes to the St Andrew's Nursing Home at Taman Jurong every Monday.

Well known in the medical field for their expertise, Dr Yue Wai Mun has been constantly teaching Advanced Diploma nursing students who are specializing in perioperative and neuroscience at Nanyang Polytechnic since 2008 to date. Dr David Su also allows students to be observers in his clinics and surgeries as they embark on their journey to be a doctor or are considering if they would want to become a doctor.

In FY2019, AHS supported one of the events organized by Wrestling Federation of Singapore, through cash donation to support a team of visually impaired athletes from the region to participate in the event, providing opportunities for the young athletes to pursue their dreams.

TARGETS

- To continue encouraging our employees to provide volunteer hours for community activities in FY2020, and consistently demonstrate our commitment in corporate social responsibility.

GOVERNANCE

As it is our duty to protect, support and save our patients, AHS is built on the foundation of strong moral ethics and principles. This responsibility stretches beyond our medical work and includes regulatory compliance of fair pricing, billing transparency, legal compliance and patient data privacy – all of which we take very seriously at AHS. The list below shows the relevant governing bodies of which the management team makes decision and designs protocols on:

- Ministry of Health ("**MOH**")
- National Environment Agency ("**NEA**")
- Singapore Companies Act
- Listing Rules of SGX-ST
- Securities and Futures Act
- Health Services Authority ("**HSA**")
- Singapore Medical Council ("**SMC**")
- Singapore Nursing Board ("**SNB**")
- Central Provident Fund Board ("**CPFB**")
- Inland Revenue Authority of Singapore ("**IRAS**")
- Accounting and Corporate Regulatory Authority ("**ACRA**")
- Patient Data Privacy Act ("**PDPA**")
- Ministry of Manpower ("**MOM**")

SUSTAINABILITY REPORT

MEMBERSHIPS OF ASSOCIATIONS AND EXTERNAL INITATIVES

Governing Body	Content and Speaker
MOH	Clinic Licence
SMC	Doctor's Practising Certificate
SNB	Nurse's Practising Certificate
HSA	Purchase of medical supplies and consumables
CPFB	Submission of Medisave for Patients and Employees' CPF contribution
IRAS	Corporate Tax/Goods and Services Tax
ACRA	Filing of Financial Statements

REGULATORY COMPLIANCE, FAIR PRICING AND BILLING TRANSPARENCY, AND PATIENT SATISFACTION AND QUALITY OF CARE

MANAGEMENT APPROACH

As the building blocks of AHS's code of conduct is the Hippocratic Oath, Doctors abide strictly by the Singapore Medical Council Ethical Code and Ethical Guidelines; while nurses are bound by the Singapore Nursing Board Code of Conduct and Ethical Guidelines of Practice. These core values strongly reflect in our daily practice and interactions with our patients.

With the fee guideline published by the Ministry of Health (Singapore) in November 2018, this strongly guides our consultancy services fee structure and our transparency in fair pricing to the public. In addition, in the past year, AHS has signed contracts with a few managed healthcare companies such as MHC, Adept Healthcare and IHP; along with private insurance companies such as NTUC Income to ensure that we will abide to the fee guidelines as well as provide a fuss-free service for our patients.

Our procurement team led by our COO, consists of our medical specialists, clinic managers and finance team, work closely together to constantly ensure that the suppliers provide adequate and cost-efficient medical supplies and consumables. As our core business of Orthopaedics dispense substantial quantity of medical supplies and consumables, we always ensure that these medical supplies and consumables have been approved by the Health Sciences Authority ("**HSA**"). In addition, when a new product is launched, we will monitor extensively on the product and conduct an evaluation process to ensure that the medical product is safe for use, feasible and affordable.

At AHS, we do not expect unethical or corrupt behavior from our employees given the transparent and tight-knit community of our practice. To ensure that employees feel safe to practice in their work environment, there are hard copies of AHS whistle-blowing policy at all of our clinics to provide our employees with the adequate knowledge to report any unethical behavior that they witness during their course of work. Further, to ensure that all patients receive the dedicated and effective care that they deserve, we place great emphasis to match the correct specialist to the patient for best care and treatment.

SUSTAINABILITY REPORT

PERFORMANCE

In FY2019, there were no incidents of non-compliance with regards to the health and safety impacts of services; regulations concerning product and service information and labelling, laws and regulations in the social and economic arena.

TARGETS

- Implement patient satisfaction survey after treatment in FY2020 to receive patient feedback

PATIENT DATA PERSONAL PRIVACY

MANAGEMENT APPROACH

Dr Tan Chyn Hong is our appointed Data Protection Officer and he has attended a dinner symposium "PDPA Clinic: An Overview for Medical Professionals" to keep his knowledge updated on the PDPA rules on 9 May 2019 conducted in Mount Elizabeth Novena Hospital.

We have adopted the following protocols:

- Shredding of all documents that contain personal information, medical records and/or private and confidential data
- Updated all the computers with virus protection
- All patients registering at the counter will have to fill up a PDPA form
- All patients requiring for medical certificate or record or insurance form to be filled up is required to fill up a request form
- All reports that are sent via email to patients are password locked
- Standard of Protocol for IT Cybersecurity is in place

Due to the large amount of historical medical data, AHS keeps our cyber systems up-to-date to prevent any breach in security. In addition, our systems are ready anytime to contribute towards the National Electronic Health Records Database as required by MOH.

We have updated our cyber systems to the latest patient database software approved by MOH. AHS also complies with the Personal Data Privacy Act (PDPA) and has appointed a PDPA officer to ensure we are managing patient data carefully. We do not keep data that we do not need and do not collect information that we do not require.

PERFORMANCE

There were no complaints received concerning breaches of patient data privacy in FY2019.

TARGETS

- To maintain zero complains of breach of PDPA
- To continue to provide training to all employees on patient data protection

GRI
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Chin Pak Lin
(Executive Chairman and Chief Executive Officer)
Yue Wai Mun
(Executive Director and Chief Medical Officer)

Non-Executive:
Leow Chung Chong Yam Soon
(Lead Independent Director)
Siek Wei Ting (Xie Weiting)
(Independent Director)
Vikram Nair
(Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE
Leow Chung Chong Yam Soon (Chairman)
Siek Wei Ting (Xie Weiting)
Vikram Nair

NOMINATING COMMITTEE
Siek Wei Ting (Xie Weiting) (Chairman)
Leow Chung Chong Yam Soon
Vikram Nair

REMUNERATION COMMITTEE
Vikram Nair (Chairman)
Leow Chung Chong Yam Soon
Siek Wei Ting (Xie Weiting)

COMPANY SECRETARY
Ngiam May Ling

REGISTERED OFFICE
38 Irrawaddy Road
#09-42
Singapore 329563

BANKERS
Standard Chartered Bank
Overseas-Chinese Banking Corporation Limited

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CONTINUING SPONSOR
RHT Capital Pte. Ltd.
9 Raffles Place
#29-01 Republic Plaza Tower 1
Singapore 048619
Registered Professional: Mr Mah How Soon

AUDITORS
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: Mr Lim Jek
(a member of the Institute of Singapore Chartered Accountants)
Appointed wef financial year ended 30 September 2018

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Asian Healthcare Specialists Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are committed to high standards of corporate governance as a fundamental part of its responsibilities to ensure greater transparency and protection of shareholders' interest. The Board is responsible for the Group's corporate governance standards and policies, and stresses their importance across the Group.

The Company has complied in all material respects with the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") which forms part of the continuing obligations of the Rules of Catalist of the SGX-ST (the "**Catalist Rules**"), to the extent possible. This report sets out the Group's key corporate governance practices with reference to the Code, where appropriate. Where there are deviations from the Code, appropriate explanations have been provided.

A. BOARD MATTERS
PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Role of the Board

The Board is collectively responsible for long term success of the Company. Each Director exercises his independent judgement to act in good faith and discharge their duties and in the best interests of the Company for the creation of long-term value for shareholders.

The principal duties and responsibilities of the Board include:

- providing entrepreneurial leadership and guidance to the management ("**Management**") in setting the Company's overall long-term strategies and financial objectives, and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- reviewing the financial results of the Group and financial reporting;
- monitoring the implementation of strategies and the business performance and management performance;
- setting the Company's values and ethical standards in which it conducts businesses and ensure that these are adhered to and ensuring that obligations to shareholders are understood and met;
- considering sustainability issues such as environmental and social factors, as part of its strategy formulation, including identifying key stakeholder groups and ensuring that obligations to other stakeholders are understood and met as their perceptions affect the Company's reputation;
- approving the appointment of Directors and other key management personnel (as defined in the Code wherever it appears in this report);
- approving the remuneration packages for the Executive Directors and key management personnel;
- establishing a framework of prudent and effective internal controls and evaluating the adequacy of internal controls and risk management, including safeguarding of shareholders' interests and the Group's assets;

CORPORATE GOVERNANCE

- approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding, investment proposals, divestments (if any), issuance of shares, dividends and proposals relating to shareholder returns, the Group's half yearly and full year results and material interested person transactions ("**IPT**"); and

- ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct.

The Board believes that when making decisions, all Directors discharge their duties and responsibilities at all times as fiduciaries and act objectively in the interests of the Company.

The matters which specifically require the Board's approval or guidance are those involving:

a. Strategies and objectives of the Group, including annual budget and forecasts;

b. Delegation of authority matrix (if any);

c. Announcements on financial results;

d. Directors' Statement and Audited Financial Statements;

e. Annual Report and Sustainability Report;

f. IPT;

g. Declaration of interim dividends and proposal of final dividends to shareholders;

h. Corporate action/exercises, including issuance of new shares in the capital of the Company; and

i. Material acquisition and disposal of assets/investments, including material financial/funding arrangements and capital expenditures.

Board Committees

To assist the Board in the efficient discharge of its responsibilities and provide independent oversight of Management, the Board has established the following Board Committees with written terms of reference, whose actions are reported to and monitored by the Board:

- Audit and Risk Management Committee ("**ARMC**")

- Nominating Committee ("**NC**")

- Remuneration Committee ("**RC**")

The written terms of reference clearly set out the authority delegated by the Board to make decision. These terms of reference also set out the conduct of meetings including quorum, voting requirements and qualifications for Board Committee membership. The Board Committees will review its terms of reference from time to time to ensure relevance. Any changes to the terms of reference for any Board Committee require the Board's approval.

The Board accepts that while these Board Committees have the authority to examine issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board. The effectiveness of each Board Committee is also constantly monitored by the Board.

CORPORATE GOVERNANCE

The ARMC, NC and RC comprise all Independent Directors, and the composition of the Board and Board Committees are as follows:

Board composition/Name of Director	ARMC	NC	RC
Dr Chin Pak Lin *(Executive Chairman and Chief Executive Officer ("**CEO**"))*	–	–	–
Dr Yue Wai Mun *(Executive Director and Chief Medical Officer)*	–	–	–
Mr Leow Chung Chong Yam Soon ("**Paul Leow**") *(Lead Independent Director)*	Chairman	Member	Member
Mr Siek Wei Ting (Xie Weiting) ("**Ryan Siek**") *(Independent Director)*	Member	Chairman	Member
Mr Vikram Nair *(Independent Director)*	Member	Member	Chairman

The appointment of Board Committee members, which requires the approval of the Board, is carried out carefully to ensure the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the Board.

Board Meetings and Attendance

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committees' meetings for the calendar year 2020 have been scheduled in advance in consultation with the Directors to ensure maximum attendance.

The Non-Executive Directors of the Company, who are all Independent Directors, constructively challenge and help develop proposals on strategy, review the performance of Management and monitor the reporting of performance. At every scheduled meeting, the Board sets aside time for the Independent Directors to meet without the presence of Management. In addition, the Directors are in frequent contact with one another outside the Board and Board Committees' meetings and hold constant informal discussions amongst themselves.

Attendance via telephone or video conference, if required, at Board or Board Committees' meetings is permitted by the Company's Constitution and/or the written terms of reference of the Board Committees, as the case may be. Ad-hoc meetings will be convened where circumstances require as such. A record of the Directors' attendance at Board and Board Committees' meetings for the purposes of the financial year ended 30 September 2019 ("**FY2019**") is set out below.

		BOARD COMMITTEES		
NAME OF DIRECTORS	**BOARD**	**ARMC**	**NC**	**RC**
Number of Meetings held	2	2	1	1
Dr Chin Pak Lin	2	2*	1*	1*
Dr Yue Wai Mun	2	2*	1*	1*
Mr Paul Leow	2	2	1	1
Mr Ryan Siek	2	2	1	1
Mr Vikram Nair	1**	1**	1	1

* *Attendance by invitation*

** *Mr Vikram Nair was provided with the meeting materials prior to the said meetings. Although he was not able to attend the scheduled Board and ARMC meetings in one instance due to unforeseen circumstances, he provided his comments on the matters to be discussed to Management, the Board of Committees and the Board respectively.*

CORPORATE GOVERNANCE

Between Board meetings, the Board and Board Committees may also make decisions through circular resolutions in writing.

Board Induction and Training

The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to, the Board.

Upon appointment to the Board, a formal letter will be provided to each newly appointed Non-Executive Director (including Independent Director), setting out his duties and obligations whereas each of the Executive Directors will enter into a Service Agreement with the Company, which sets out their terms of office and terms and conditions of appointment. The Company had issued a letter of appointment to each of the Independent Director and entered into a Service Agreement with each of the Executive Director.

All newly appointed Directors will undergo comprehensive orientation programmes which cover business activities of the Group, its strategic direction and corporate governance practices. Arrangements will also be made for Directors to meet key management personnel for a better understanding of the Group's businesses and operations. The Directors have open invitations to visit the Group's operating facilities to enable them to obtain a better perspective of the business and to enhance their understanding of the Group's operations.

As part of training and professional development for the Board, the Company ensures that Directors are briefed from time to time on changes to regulations, guidelines and accounting standards, as well as other relevant trends or issues. In addition, the Company's external auditors, KPMG LLP ("**External Auditors**") and/or the CFO update the Board on the changes to accounting standards and issues which have a direct impact on financial statements from time to time. The Executive Chairman and CEO also provide the Board with regular updates on the Group's operations and any changes to commercial risks.

These are done either during Board meetings, at Board dinners or at specially convened sessions, including training sessions and seminars conducted by external professionals at the Company's expense. Directors are also encouraged to request further explanation, briefings or informal discussion on any aspect of the Group's operations or business issues from Management.

Mr Ryan Siek has prior experience as an Executive Director of a company formerly listed on the Main Board of the SGX-ST while Mr Paul Leow is an Independent Director of a company listed on the Main Board of the SGX-ST and a company listed on the Catalist of the SGX-ST. Mr Vikram Nair, a practising lawyer, is also familiar with the relevant laws and regulations.

Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and the Listing Manual) which are relevant to the Company's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors.

CORPORATE GOVERNANCE

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10 per cent shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Composition

The Board comprises five Directors, of whom two are Executive Directors and three are Independent Directors. None of the Directors are related to one another. Other than Dr Chin Pak Lin and Dr Yue Wai Mun, none of the Directors is a former or current employee of the Company or any of its subsidiaries. None of the Directors has an alternate Director.

Mr Paul Leow was appointed as the Lead Independent Director. A summary of the roles and responsibilities of the Lead Independent Director is set out on page 36.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is appropriate and conducive for effective discussion and decision-making, with a strong element of independence. No individual or small group of individuals dominates the Board's decision-making process as majority (60%) of the Board is made up of Independent Directors. Accordingly, there is a strong and independent element on the Board and the Company is in compliance with both guidelines 2.1 and 2.2 of the Code.

The NC, with the concurrence of the Board, is of the view that the current Board size is adequate, taking into account the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Board diversity

The NC also aims to maintain a diversity of expertise, skills and attributes among the Directors, which the Group may tap on for assistance in furthering its business objectives and shaping its business strategies. Any potential conflicts of interest are taken into consideration.

In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and knowledge of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Board comprises Directors with a broad range of commercial experience including expertise in the medical industry. Together, the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience and knowledge of the Company. They also bring with themselves a wide range of core competencies such as accounting and finance, legal knowledge, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the Directors' background allows for the useful exchange of ideas and views.

All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

CORPORATE GOVERNANCE

Review of Directors' Independence

The NC, which is responsible for reviewing the independence of each Director on an annual basis, has adopted the Code's definition of what constitutes an Independent Director and the Code's guidelines as to relationships which would deem a Director not to be independent.

In addition, the NC requires each Independent Director to assess his own independence by completing a Confirmation of Independence form ("**Declaration Form**") which is drawn up in accordance with the guidelines of the Code and state whether he considers himself independent despite having any of the relationships identified in the Code which would deem him not to be independent, if any.

The Board reviews and determines whether each Director is independent, taking into account the views of the NC and any existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

The Directors are required to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he might have a conflict of interest, in relation to any matter, he should immediately declare his interest at a meeting of the Directors or send a written notice to the Company containing details of his interest and the conflict, and recuse himself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with such requirement, and such compliance has been duly recorded in the minutes of meeting and/or Directors' Resolutions in writing.

For FY2019, the NC and the Board have assessed the independence of each of the Independent Directors.

Mr Vikram Nair, an Independent Director of the Company, is a partner of Rajah & Tann Singapore LLP, which is one of the law firms which provided legal services to the Group in FY2019. Mr Vikram Nair had declared to the NC that he did not have a 5% or more stake in Rajah & Tann Singapore LLP, that he did not involve himself in the selection and appointment of legal advisors for the Group. Mr Vikram Nair is not involved in the provision of legal services by Rajah & Tann Singapore LLP to the Company and was not involved in the negotiations, deliberations and the delivery of services by Rajah & Tann Singapore LLP to the Group. Fees charged by Rajah & Tann Singapore LLP to the Group were on an arm's length basis and were based on normal commercial terms. Mr Vikram Nair has not previously provided any legal services to the Group. Mr Vikram Nair has abstained and will abstain from and will not be involved in any discussions, deliberations or decisions of the Board in relation to any transactions or dealings with Rajah & Tann Singapore LLP.

The NC also took into account Mr Vikram Nair's actual performance and valuable contributions on the Board and Board Committees and the outcome of the recent assessment of individual Directors' performance.

Based on the foregoing, the Board (except Mr Vikram Nair who has recused himself from such discussions) believes that the engagement of Rajah & Tann Singapore LLP for the provision of legal services would not interfere, or be reasonably perceived to interfere, with the exercise of Mr Vikram Nair's independent business judgment as an Independent Director with a view to the best interests of the Company, and that Mr Nair has at all times discharged his duties with professionalism and objectivity. In reviewing the independence of Mr Vikram Nair, in particular, the NC has had regard to the value of the transactions between Rajah & Tann Singapore LLP and the Company.

CORPORATE GOVERNANCE

Based on the Declarations Forms provided by these Directors and taking into account the guidance in the Code and the considerations set out above, the Board has determined that save for Dr Chin Pak Lin and Dr Yue Wai Mun who are Executive Directors, all other members of the Board are considered to be Independent Directors.

No Director has served on the Board for more than nine years.

Each of Mr Ryan Siek, Mr Paul Leow and Mr Vikram Nair had recused himself from the NC's and the Board's deliberations respectively on his own independence.

PRINCIPLE 3: CHAIRMAN AND CEO

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Role of Chairman

The principal duties and responsibilities of the Executive Chairman include:

- Leading the Board to ensure its effectiveness on all aspects of its roles;
- Scheduling meetings for the Board to discharge its duties, including setting the agenda in consultation with the CFO, Company Secretary and the Chairman of the respective Board Committees, and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Promoting a culture of openness and debate at the Board;
- Coordinating activities of the Independent Directors and facilitate the effective contribution of the Independent Directors;
- Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board to ensure that the Directors receive complete, adequate and timely information;
- Encouraging constructive relations within the Board and between the Board and Management;
- Ensuring effective communication with shareholders; and
- Assisting in ensuring the Company's compliance with corporate governance guidelines and promoting high standards of corporate governance.

Role of CEO

The CEO is responsible for making strategic proposals to the Board, implementing the Group's strategies and policies as well as the Board's decisions and assumes the executive responsibility for the day-to-day management of the Group, with the support of key management personnel.

CORPORATE GOVERNANCE

Dr Chin Pak Lin serves concurrently as Executive Chairman and CEO and accordingly, the roles and responsibilities of both the Executive Chairman and the CEO are vested in Dr Chin Pak Lin. Although it is a deviation from the Code which provides that there should be a clear division of responsibilities between the leadership of the Board and the executives for managing the Company's business, the Board is of the opinion that there is a sufficiently strong independent element in the Board, in view that majority of the Board is made up of Independent Directors, all resolutions of the Board are passed collectively after due consideration and no single individual exercised any concentration of power or influence.

The Board is of the opinion that it is able to benefit from an active Chairman who is knowledgeable about the business of the Company and therefore is better able to guide discussions. He is capable of ensuring that the Board is properly briefed in a timely manner on pertinent issues and developments. The Board also obtains independent views from its Independent Directors. The Chairman establishes the boundaries of risk undertaken by the Group and ensures the governance system is in place and regularly evaluated.

All major decisions made by the Executive Chairman and CEO are reviewed by the Board. His performance and remuneration are also reviewed by the NC annually. As such, the Board believes that there are adequate safeguards in place against centralisation power and authority in a single individual. These safeguards include the appointment of a Lead Independent Director, having the majority of the Board made up of Independent Directors and the NC comprising only Independent Directors.

Role of Lead Independence Director

In accordance with guideline 3.3 of the Code, Mr. Paul Leow was appointed as the Lead Independent Director.

The Lead Independent Director assists the Executive Chairman and CEO and the Board to ensure effective corporate governance in managing the affairs of the Board and the Company. As the Lead Independent Director, he will lead the meetings of the Independent Directors periodically and on such other occasions as may be deemed appropriate. The Lead Independent Director will also provide feedback, if any, to the Executive Chairman and CEO after such meetings.

As one of the key contacts listed in the Company's Whistleblowing Policy, the Lead Independent Director will be available to shareholders and any other persons if they have concerns relating to matters which contact through the normal channels of the Executive Chairman and CEO or Group CFO has failed to resolve, or where such contact is inappropriate.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Company has established a NC to, among other things, make recommendations to the Board on all Board appointments, re-election of Directors and oversee the Board and key management personnel's succession and leadership development plan.

The terms of reference of the NC provides that the NC shall comprise at least three Directors, the majority of whom including the NC Chairman, shall be Non-Executive Directors. The NC comprises all Independent Directors with Mr Ryan Siek as the Chairman and Mr Paul Leow and Mr Vikram Nair as members. The NC Chairman is not associated in any way with any 10% shareholders of the Company.

The principal duties and responsibilities of the NC include:

- making recommendations to the Board on relevant matters relating to (i) the review of board succession plans for directors, in particular, the Executive Chairman and CEO, (ii) the development of a process of evaluation of the performance of the Board, the Board Committees and Directors, (iii) the review of training and professional development programs for the Board, and (iv) the appointment and re-election of the Directors (including alternate Directors, if applicable) (including appointments and re-appointments to Board Committees);

- reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code (as may from time to time be amended, modified or supplemented) and any other salient factors;

- reviewing the composition of the Board annually to ensure that the Board and the Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;

- implementing a process for assessing the effectiveness of the Board as a whole and the Board Committees and for assessing the contribution of the Executive Chairman and each individual Director to the effectiveness of the Board and each Board Committee on which he sits;

- reviewing and approval of any employment of all managerial staff and employees who are related to any of the Directors, Substantial Shareholders or the CEO and the proposed terms of their employment; and

- where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representation and other principal commitments. If necessary, to set up internal guidelines to address the competing time commitments that is faced when Directors serve on multiple boards.

Succession Planning and Nomination Process

The NC has the responsibility of establishing a formal and transparent search and nomination process for the selection and re-election of Directors and there is a policy in place that governs the nomination process.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board and the composition of the Board.

The Board considers the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. New Directors, if any, will continue to be selected based on objective criteria set as part of the process for appointment of new Directors and the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfilment of every requirement which the Board as a whole requires to be effective. The NC will seek candidates from a wide pool of individuals not limited to persons known to the Directors directly, and is empowered to engage professional search firms to aid in this process. Short-listed candidates will be invited to meet the Independent Directors separately and may also be invited to meet the Board as a whole to discuss the duties of a Director. This is to ensure that there are no misunderstandings or a mismatch of expectations.

CORPORATE GOVERNANCE

Directors' Time Commitment

The NC is tasked with ensuring that Directors have given sufficient time and attention to the affairs of the Group and to decide if a Director has been adequately carrying out and is able to continue carrying out the duties of a Director of the Company.

In determining if a Director is able to and has been adequately carrying out his duties as Director of the Company, the Board, with the concurrence of the NC, has taken into consideration the Director's number of listed company board representations and other principal commitments. Inclusive of their appointment to the Board, none of the Directors hold more than three appointments on the board of listed companies.

Directorships or chairmanships held by the Company's Directors in other listed companies are as follows:

Name of Director	Date of first appointment	Date of last re-election	Directorships in other listed companies[1]	
			Current	Past 3 Years
Dr Chin Pak Lin	27 September 2017	28 January 2019	–	–
Dr Yue Wai Mun	27 September 2017	N/A	–	–
Mr Paul Leow	28 March 2018	28 January 2019	• Fragrance Group Limited • No Signboard Holdings Ltd.	–
Mr Ryan Siek	28 March 2018	28 January 2019	–	• China Minzhong Food Corporation Pte. Ltd.[2]
Mr Vikram Nair	28 March 2018	28 January 2019	–	–

Notes:
(1) The principal commitment of each Director is set out in the "Board of Directors" section of this annual report.
(2) China Minzhong Food Corporation Pte. Ltd. (formerly known as China Minzhong Food Corporation Limited) was delisted from the Main Board of SGX-ST on 28 February 2017 although Mr Ryan Siek remained as a Non-Executive Director.

As such, no maximum number of listed company board representations has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his duties adequately should not be confined to the sole criterion of the number of his board representations. Thus, in assessing each Director's ability to discharge his duties adequately, the Board will also consider, amongst other factors, contributions by Directors during Board and Board Committee meetings, and their attendance at such meetings, in addition to each of their principal commitments.

Annual Determination of Directors' Independence

The NC has the responsibility in determining on an annual basis whether each Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect the Director's judgement. As reported earlier in the section on the Review of Directors' Independence, the NC determined and made its recommendations on the independence of the Independent Directors to the Board.

CORPORATE GOVERNANCE

Rotation and Re-election of Directors

The Board subscribes to the principle that as a matter of corporate governance, all Directors should stand for re-election at regular intervals and at least once every three years. In accordance with the Company's Constitution, all Directors are required to retire from office at least once every three years and submit themselves for re-election at the next Annual General Meeting ("**AGM**"), if eligible. A new Director appointed in between the AGM must also submit himself for re-election at the AGM following his appointment.

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Dr Yue Wai Mun and Mr Vikram Nair who will be retiring pursuant to Regulation 110 of the Constitution of the Company at the forthcoming AGM.

All Directors retiring by rotation have consented to continue in office and the Board had accepted the recommendation of the NC and accordingly, the above Directors will be offering themselves for re-election.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his own re-election, if any, as Director of the Company.

The information on each Director's academic and professional qualifications and other principal commitments are presented in the "Board of Directors" section of this annual report and their shareholdings in the company and its related corporations, relationships (if any) are presented in the "Directors' Statement" section of this annual report.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and contribution by each Director to the effectiveness of the Board.

The NC reviews the performance of the Board, Board Committees and individual Directors on an annual basis, based on performance criteria as agreed by the Board, and decides how this may be evaluated.

The Board has a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Board Evaluation Process

The Board evaluation process involves having Directors complete a Questionnaire seeking their views on various aspects of the performance of the Board and Board Committees, such as Board composition, information, process and accountability. The Company Secretary compiles Directors' responses to the Questionnaire into a consolidated report. The report is discussed at the NC meeting and also shared with the Board. The NC assessed the performance of the Board as a whole, based on performance criteria (determined by the NC and approved by the Board), such as the Board's composition and size, the Board's access to information, Board processes, Board accountability, standard of conduct and performance of the Board's principal functions and fiduciary duties, and guidance to and communication with Management and stakeholders. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code.

CORPORATE GOVERNANCE

Individual Director Evaluation

The Company also conducted a peer and self evaluation to assess the performance of individual Directors. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, functional expertise, and commitment and dedication. The results of the peer and self-evaluation are compiled by the Company Secretary and given to the Board Chairman, who assesses the performance of the individual Directors, and will discuss with each individual Director if necessary.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to discharge its responsibilities effectively, Management provides the Directors with regular updates on the operational and financial performance of the Company, and furnishes the Directors with complete and adequate information on matters that require their consideration in a timely manner. Board papers with the relevant background and financial information are circulated at least 3 working days prior to the scheduled meetings. However, to maintain confidentially, sensitive matters may occasionally only be tabled at the meeting itself or discussed without papers being distributed. The notice(s) of additional meetings, if any, with the relevant board papers, will be circulated prior to the meetings, as and when these meetings are required to be convened.

Directors are also encouraged to, and do seek additional information from Management as and when needed to make informed decisions. Management does its best to meet such requests in a timely manner.

At the Board meeting, the Executive Chairman and CEO, Executive Directors and CFO also provide the Board with operational updates on significant events relating to the Group and information concerning industry-related developments.

All Directors have separate, unrestricted and independent access to key management personnel and the Company Secretary.

In situations where the Directors, whether individually or as a group, in the furtherance of their duties, need to seek independent professional advice, they can select the professional advisor to be engaged by the Company. The cost of such professional advice will be borne by the Company.

Role of Company Secretary

The Company Secretary attends all Board and Board Committees' meetings and is accountable directly to the Board, through the Executive Chairman and CEO, on all matters to do with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act (Cap. 50), the Securities and Futures Act (Cap. 289) and the Catalist Rules. She assists the Board in implementing and strengthening corporate governance policies and processes. The Company Secretary is the primary point of contact between the Company and when required, the Sponsor and/or the SGX-ST.

Under the Constitution, the appointment and removal of the Company Secretary is subject to the approval of the Board.

CORPORATE GOVERNANCE

B. REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The terms of reference of the RC provides that the RC shall comprise at least three Directors, of whom all shall be Non-Executive Directors and majority of whom shall be Independent Directors. The RC comprises all Independent Directors with Mr Vikram Nair as Chairman and Mr Paul Leow and Mr Ryan Siek as members. The RC Chairman is not associated in any way with any 10% shareholders of the Company.

The principal duties and responsibilities of the RC include:

- reviewing and recommending to the Board of Directors, in consultation with the Chairman of the Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and key management personnel;

- reviewing and recommending to the Board of Directors, for endorsement, the specific remuneration packages for each of the Directors and key management personnel;

- reviewing and approving the design of all share option plans, performance share plans and/or other equity based-plans and benefits-in-kind;

- in the case of service contracts and employment contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance; and

- approving performance targets for assessing the performance of each of key management personnel and recommend such targets as well as employee specific remuneration packages for each of such key management personnel, for endorsement by the Board of Directors.

Each member of the RC will abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his own remuneration.

For FY2019, the Company has in place a Service Agreement for each Executive Director which sets out their remuneration framework. Such Service Agreements are for an initial period of seven years. The Company may, at its discretion, extend the initial term by a further period of three years, by providing notice of not less than six months to the Executive prior to the scheduled expiry of the initial seven years period.

The Company does not have any contractual provisions which allow the Company to reclaim incentive components of remuneration from Executive Directors and/or key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as such provisions will stifle the Company's ability to effectively attract and retain the right individuals.

For FY2019, there were no termination, retirement and post-employment benefits granted to Directors and key management personnel.

The RC, if required, will seek expert advice, both within and outside the Company on remuneration of all Directors. No remuneration consultant was engaged in FY2019.

CORPORATE GOVERNANCE

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The level and structure of remuneration is designed to be aligned with the long-term interest and risk policies of the Company, and is sufficiently competitive to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company. In determining the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their performance, as well as the financial, commercial and business outlook of the Company.

The Group's remuneration policy is to provide compensation packages at market rates to reward successful performance and attract, retain and motivate key management personnel and Executive Directors. Benefits provided are consistent with market practice and include medical benefits and transport allowances. Eligibility to enjoy these benefits will depend on individual salary grade and length of service.

The remuneration structure for the Executive Chairman and CEO, Executive Director and CMO and key management personnel (other than Kwek Jin Mei Violet and Seet Kah Wai whose remuneration includes annual wage supplement) consists of Fixed Component, Variable Component, Provident Fund, Benefits and AHS Performance Share Plan.

Notes:
<u>Fixed Component</u>
Fixed pay comprises basic salary and Annual Wage Supplement.

<u>Variable Component</u>
This component refers to the variable bonus and contractual payments that are paid based on the Group's and individual's performance.

<u>Provident Fund</u>
This component is made up of statutory contribution to post-employment benefits plans such as Singapore Central Provident Fund.

<u>Benefits</u>
Benefits provided are consistent with market practice. To be eligible for these benefits, it will depend on the individual job grade and scheme of service.

Share Plan

The Company has adopted a performance share plan known as the AHS Performance Share Plan ("**AHS PSP**") on 22 March 2018. The AHS PSP aims to motivate, recognise and reward contributions made by employees. No performance shares have been granted or awarded pursuant to the AHS PSP since its inception.

Rules of the AHS PSP the Offer Document dated 12 April 2018 and are administered by the RC.

The Independent Directors receive fees which are reviewed by the RC to ensure commensuration with the contributors, responsibilities, efforts and the spent by such individuals. Directors' fees are recommended by the RC and submitted to the Board for endorsement, subject to the approval of shareholders at the AGM.

The level and structure of remuneration of the Directors and the Executive Chairman and CEO are disclosed in Principle 9.

CORPORATE GOVERNANCE

PRINCIPLE 9: DISCLOSURE OF REMUNERATION

Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel and performance.

Directors' Remuneration/Fees

The Directors' compensation for FY2019 is as listed below:

	Salary/ Directors' fees %	Bonus %	AHS Performance Share Plan %	Total compensation ($'000)
Executive Directors				
Dr Chin Pak Lin (Executive Chairman and CEO)	100	–	–	543
Dr Yue Wai Mun (Chief Medical Officer)	100	–	–	538
Independent Directors				
Mr Paul Leow	100	–	–	42
Mr Ryan Siek	100	–	–	38
Mr Vikram Nair	100	–	–	38

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the Group CEO) for FY2019 is as follows:

	Salary and Bonus %	AHS Performance Share Plan %
Above $500,000 but below $750,000		
Tan Chyn Hong	100	–
David Su Hsien Ching	100	–
Above $250,000 but below $500,000		
Lim Tet Chen Roy	100	–
Below $250,000		
Kwek Jin Mei Violet	100	–
Seet Kah Wai	100	–

The aggregate remuneration paid to the above key management personnel (who are not Directors or the CEO) for FY2019 is $1.71 million. Due to the confidentiality and commercial sensitivity attached to remuneration matters, in particular the key management personnel, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of key management personnel. Instead, the disclosures had been provided in applicable bands of $250,000 as above, with a breakdown in percentage of the remuneration earned through salary and bonus and/or AHS Performance Share Plan.

There are no employees of the Group who are immediate family members of a Director or the CEO for FY2019.

CORPORATE GOVERNANCE

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Group is committed to open and honest communication with shareholders at all times.

The Board is aware of its responsibilities to provide shareholders with a balanced, understandable and comprehensive view of the Company's performance, financial position and prospects on a timely basis and believes that prompt compliance with statutory reporting requirements is imperative to maintaining shareholders' confidence and trust in the Company.

The Company presents a balanced and clear assessment of the Group's performance, position and prospects to shareholders through the timely release of its half-yearly and annual financial reports via SGXNET.

The half-yearly and full-year results announcements are released via the SGXNET within the mandatory period. Price-sensitive information is publicly released either before the Company meets with any group of investors or analysts, or simultaneously with such meetings.

For the financial period under review, the Executive Directors and the CFO have provided assurance to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances. In line with Catalist Rules, the negative assurance statement was issued by the Board to accompany the Company's half-yearly financial results announcements, confirming that nothing has come to their attention which may render the unaudited financial statements to be false or misleading in any material aspect.

Analysis on the performance of the Group was provided on the results and performance to the Board to ensure they effectively discharge their duties. The Executive Chairman and CEO of the Group will also update the Board on the Group's operations during the Board meetings. As and when there are other developments in between meetings, the Board will be provided and supplemented with the relevant information with respect thereto, whether by e-mail circulation or information teleconference.

The Company has also procured undertakings from its Directors and Executive Officers (as defined under the Catalist Rules) in compliance with Catalist Rule 720(1).

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

CORPORATE GOVERNANCE

The Board recognises its responsibility to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and will also determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Enterprise Risk Management framework which the Board adopted in FY2019 strengthens the Group's capability to recognise and capitalise on new challenges and opportunities so as to add value to Management's decision-making, business planning, resource allocation and operational management. The ARMC reviews the Group's risk appetite framework and risk tolerance for the enterprise risks. Using qualitative and quantitative measures, risks are calibrated so that balanced control processes are matched against the strategic objectives of each business unit.

The Board, with the assistance of the ARMC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for FY2019 considered issues dealt with in reports reviewed by the Board during the year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2019.

The Board has obtained a written confirmation from the Executive Chairman and CEO and the CFO that as at 30 September 2019, to the best of their knowledge:

(a) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 30 September 2019 give a true and fair view of the Company's operations and finances; and

(b) based on the internal controls and risk management systems established by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the ARMC and the Board are of the opinion that the Group's internal controls and risk management systems addressing financial, operational, compliance and information technology risks, were adequate and effective as at 30 September 2019.

For FY2019, both the Board and the ARMC have not indentified any material weaknesses in the internal controls of the Group.

Based on the internal controls including financial, operational and compliance controls, established and maintained by the Group, work performed by the Internal Auditors and External Auditors, and reviews undertaken by Management, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls addressing material financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 30 September 2019 to meet the needs of the Group, taking into account the nature and scope of its operations.

PRINCIPLE 12: AUDIT AND RISK MANAGEMENT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The terms of reference of the ARMC provides that the ARMC shall comprise at least three Directors, all of whom shall be Non-Executive Directors and the majority of whom, including the ARMC Chairman, shall be Independent Directors. The ARMC comprises all Independent Directors with Mr Paul Leow as Chairman and Mr Ryan Siek and Mr Vikram Nair as members. The ARMC Chairman and Mr Ryan Siek have recent and relevant accounting or related financial management expertise and experience. In addition, the Board is satisfied that the ARMC members are appropriately

CORPORATE GOVERNANCE

qualified to discharge the ARMC's responsibilities. None of the members nor the ARMC Chairman are former partners or directors of the Group's existing auditing firm within the last 12 months nor does any of them have any financial interests in the said auditing firm.

The principal duties and responsibilities of the ARMC include:

- assisting the Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the External Auditors;
- reviewing the External Auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls;
- reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board of Directors;
- reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls;
- reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the internal audit function;
- approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- appraising and reporting to the Board of Directors on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- making recommendations to the Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- undertake such other reviews and projects as may be requested by the Board of Directors, and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC; and
- undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

CORPORATE GOVERNANCE

The ARMC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management, full discretion to invite any Executive Director or Executive Officer (as defined in the Catalist Rules) to attend its meetings, and reasonable resources to enable it to discharge its functions properly. In addition, the ARMC has been given full access to the External Auditors of the Company, KPMG LLP, and the Internal Auditors of the Company, PricewaterhouseCoopers Risk Services Pte. Ltd. (the "**Internal Auditors**"). If required, the ARMC has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal and other professional advice and services, at the Company's expense.

The Internal Auditors performs detailed work to assist the ARMC in developing and maintaining an effective system of internal controls of the Group. The External Auditors also review the Group's material internal controls to the extent of their scope as laid in their audit plans during the course of their normal audit procedures on the statutory financial statements of the Group.

The ARMC meets with the Group's Internal Auditors and External Auditors and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. For FY2019, the ARMC has met two times and:

(i) met up with the Internal and External Auditors, without the presence of Management, to discuss their findings set out in their respective reports to the ARMC. Both the Internal and External Auditors confirmed that they received the full co-operation of Management and no restrictions were placed on the scope of the respective audits;

(ii) conducted a review of the non-audit services provided by the External Auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors as well as the cost-effectiveness of the audit before confirming their re-nomination. The following fees for FY2019, amounting to $200,000 were approved:

Audit fees	$130,000
Non-Audit fees	$70,000

The External Auditors had also confirmed their independence in this respect;

(iii) confirmed that Company had complied with Catalist Rule 712 in relation to the appointment of a suitable auditing firm to meet its audit obligations. Messrs KPMG LLP, the appointed auditors of the Group, is registered with the Accounting and Corporate Regulatory Authority in Singapore.

Together with the audit engagement partner and his team assigned to the audit of the Group, the ARMC was satisfied that the resources and experience of Messrs KPMG LLP, the Audit Engagement Partner and his team assigned to the audit were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

(iv) confirmed that the Company had complied with Catalist Rule 715 in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, and its foreign-incorporated subsidiaries. The Group's subsidiaries are disclosed under Note 6 of the Notes to the Financial Statements on page 92 of this Annual Report.

CORPORATE GOVERNANCE

The ARMC, with the concurrence of the Board, had recommended the re-appointment of Messrs KPMG LLP as External Auditors for FY2019 at the forthcoming AGM, based on their performance and quality of their audit.

The External Auditors and/or the CFO will update the ARMC on the changes to accounting standards and issues which have a direct impact on financial statements from time to time. In addition, the ARMC is entitled to seek clarification from Management, the External Auditor and/or the Internal Auditor or independent professional advice, or attend relevant seminars, informative talks at the Company's expense from time to time to apprise themselves of accounting standards/financial updates.

Key Audit Matters

The External Auditors have set out the key audit matters in respect of FY2019 in the Independent Auditors' Report on Page 58 to 59 of the Annual Report. The ARMC concurs with the basis and conclusions included in the Independent Auditors' Report with respect to the key audit matters.

Whistleblowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach towards fraud. The Company has put in place a whistle-blowing policy and procedures duly endorsed by the ARMC, where employees of the Group and any other persons may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc. All reports, including anonymous reports, reports that are lacking in detail and verbal reports, will be thoroughly investigated. All complaints will be treated as confidential and will be brought to the attention of the ARMC.

Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the ARMC if it deems appropriate, independent advisors engaged at the Group's expense. Following the investigation and evaluation of a complaint, the ARMC will then decide on recommended disciplinary or remedial actions, if any. Appropriate actions that are determined by the ARMC shall then be brought to the Board or to the appropriate senior executive of the Group for authorisation or implementation respectively.

In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistle-blowing policy have been made available to all employees.

PRINCIPLE 13: INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group has also outsourced its internal audit function to PricewaterhouseCoopers Risk Services Pte. Ltd. as its Internal Auditors. The Internal Auditors, staffed with persons of relevant qualifications and experience, carry out its audit taking guidance from the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and they report directly to the ARMC on internal audit matters and to the CEO on administrative matters.

The role of the Internal Auditors is to support the ARMC in ensuring that the Group maintains a sound system of risk management and internal controls by monitoring and assessing the adequacy and effectiveness of key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigations as directed by the ARMC.

CORPORATE GOVERNANCE

The hiring, removal, evaluation and compensation of the Internal Auditors or corporation to which the internal audit function is outsourced was approved by the ARMC. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

The ARMC will also review the adequacy and effectiveness of the internal audit function annually to ensure that the internal audit function is sufficiently resourced and is able to perform its function effectively and objectively. For FY2019, the ARMC is satisfied that PricewaterhouseCoopers Risk Services Pte. Ltd. has adequate resources and experience to meet its internal audit obligations.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangement.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is mindful of its obligations to provide material information in a fair and organised manner and on a timely basis to its shareholders. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company's shares.

The Board treats all shareholders fairly and equitably and seeks to protect and facilities exercise of shareholder's rights. The Company publicly release all material information prior to any meetings. Price sensitive information, half yearly and full year results announcements and presentation slides are always released through the SGXNET on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST.

Information is communicated to shareholders on a timely basis. Communication is made through annual reports or circulars that are prepared and issued to all shareholders as well as half yearly and full year result announcements, containing a summary of the financial information and affairs of the Group for the period, notices and explanatory notes of AGM and Extraordinary General Meetings, other announcements and press releases that are issued via SGXNET. Shareholders can also access the Group's website at http://investor.asianhealthcare.com.sg/for the aforementioned information on the Group. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others promptly.

The notice of the AGM is despatched to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen days before the meeting for ordinary resolutions and twenty-one days before the meeting for special resolutions.

CORPORATE GOVERNANCE

The Company's Investor Relations (IR) website is a key resource of information for the investment community. It contains a wealth of investor-related information on the Company, including results announcements, annual reports, distribution of notices, press releases, presentations and any major corporate developments. The IR website also has an email alert function so investors can be alerted to any important announcements and developments without having to check the website regularly. Contact details of the IR department are also listed on the website to facilitate dialogue and queries from shareholders.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company recognises that effective communication can highlight transparency and enhance accountability to its shareholders. The AGM is a principal forum for dialogue and interaction with all shareholders. The Group believes in encouraging shareholder participation at general meetings.

The Board has also taken steps to solicit and understand the views of the shareholders through results briefings from time to time. In addition, shareholders are invited and encouraged to attend the general meetings of shareholders to have the opportunity to participate effectively in and vote, to ensure a high level of accountability and to stay informed of the Group's strategy and goals. Shareholders may vote in person or in absentia by way of proxy forms deposited, in person or by mail, at the office address of the Share Registrar at least 72 hours before the meetings.

Currently, the Board has not implemented any voting methods to allow shareholders to vote by way of electronic mail or facsimile. However, pursuant to Regulation 99 of the Constitution of the Company, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by electronic mail or facsimile. A member, who is not a relevant intermediary (the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.), is entitled to appoint one or two proxies to attend and vote at the AGM. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

The Company employs electronic polling at its general meetings. The voting procedures are carefully explained to the shareholders at the start of the meeting. All resolutions are put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be made available through SGXNET. Every matter requiring shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

The Executive Chairman and CEO and all Directors including the Board Committees' Chairmen will attend the AGM and be available to take questions from the shareholders. The External Auditors are also invited to attend the AGM and will be available to assist the Directors in addressing any relevant queries from the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report. Shareholders also have the opportunity to communicate with the Directors and Management after the meeting.

The Company Secretary records minutes from these shareholder meetings, including relevant comments or queries from shareholders and responses from the Board and Management. The minutes will be made available upon request by shareholders.

CORPORATE GOVERNANCE

Dividend Policy

The Group does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirement for business growth and other factors as the Board may deem appropriate.

The Board has recommended a final dividend of 0.90 Singapore cents per ordinary share for FY2019, which is subject to the approval of the shareholders at the forthcoming AGM.

DEALINGS IN SECURITIES

In line with Catalist Rule 1204(19), the Company has adopted a compliance code to issue a notification to all Directors, key executives of the Group and their officers that they are not allowed to deal in the Company's securities during the "black-out" period, being one month before the announcement of the Company's half-yearly and full-year results respectively, or if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors, key executives and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

The Board confirms that for FY2019, the Company has complied with Catalist Rule 1204(19).

INTERESTED PERSON TRANSACTIONS ("IPTS")

All IPTs proposed to be entered into by the Company will be reviewed by the ARMC to ensure that the terms are fair and reasonable prior to recommending them to the Board for approval.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the SGX-ST Listing Manual on IPTs. To ensure compliance with Chapter 9, the following practices have been implemented:

- The ARMC meets once every six months to review if the Company will be entering into any IPTs. If the Company intends to do so, the ARMC will ensure that the Company complies with the requisite rules under Chapter 9 of the Catalist Rules; and

- The ARMC will then recommend the approval of the IPTs, if any, to the Board for review and approval. The Board will review and ensure that the Company complies with the requisite rules under Chapter 9 of the Catalist Rules before such approval.

It was noted that the IPTs that were transacted during the year under review were below the threshold limits as set out under Chapter 9 of the Catalist Rules and no announcements or shareholders' approval were, therefore, required. There were also no IPTs of $100,000 or above for FY2019.

CORPORATE GOVERNANCE

However, in the spirit of disclosure and transparency, the IPTs entered into by the Group were as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review including transactions less than $100,000 $'000
Transactions less than $100,000	
CTS Holding Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #14-05, Connexion, Singapore 217562 by The Orthopaedic Centre (Farrer) Pte. Ltd. from CTS Holding Pte. Ltd.	96
Dr Su Hong Zee and Dr Ma Seow Jing(1) Rental of 3 Mount Elizabeth #08-02 Mount Elizabeth Medical Centre Singapore 228510 by The Orthopaedic Centre (Orchard) Pte. Ltd. from Dr Su Hong Zee and Dr Ma Seow Jing	11

Notes:

(1) Dr Su Hong Zee is the father of Dr Su Hsien Ching David. Accordingly, Dr Su Hong Zee is an associate of Dr Su Hsien Ching David and is thus, an Interested Person. Dr Ma Seow Jing is an unrelated third party.

The tenancy agreement of The Orthopaedic Centre (Orchard) Pte. Ltd. with Dr Su Hong Zee and Dr Ma Seow Jing had been terminated with effect from 31 October 2018 as The Orthopaedic Centre (Orchard) Pte. Ltd. had entered into another tenancy agreement with an unrelated third party.

The Group has not obtained a general mandate from shareholders for IPTs.

MATERIAL CONTRACTS

The Deed of Restructuring dated 11 October 2017, not being a contract entered into in the ordinary course of business, has been entered into by the Company within the two (2) years preceding the date of lodgement. Please refer to the offer document dated 12 April 2018 for further details.

Save for disclosed above, the Company confirms that there were no material contracts entered into between the Company and its subsidiaries, which the Group CEO, any of the Directors or controlling shareholders, has an interest in, either still subsisting at the end of the financial year, or was entered into since the end of the previous financial year.

CORPORATE GOVERNANCE

USE OF PROCEEDS

Pursuant to the Company's IPO, the Company received net proceeds of approximately $9.5 million (the "**Net Proceeds**"). Please refer to the Offer Document dated 12 April 2018 for further details. As at the date of this Annual Report, the Net Proceeds have been utilised as follows:

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

Notes:

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

(2) The Group had utilised the net proceeds allocated to working capital for Group's monthly staff costs.

Pursuant to the Investment Agreement entered into with Vanda 1 Investments Pte. Ltd. on 15 October 2018, the Company received $5.0 million but has yet to utilise any of this amount. For more information, please refer to the announcement dated 15 October 2018.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor services rendered by the Company's continuing sponsor, RHT Capital Pte. Ltd. to the Group in FY2019.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 September 2019.

In our opinion,

(a) the financial statements of Asian Healthcare Specialists Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 63 to 112 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 September 2019 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Chin Pak Lin
Yue Wai Mun
Vikram Nair
Siek Wei Ting
Leow Chung Chong Yam Soon

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Chin Pak Lin		
AHS Investments Holdings Pte. Ltd.		
– ordinary shares	2	2
CTS Holdings Pte. Ltd.		
– ordinary shares	1	1
Asian Healthcare Specialist Limited		
– deemed interests	243,100,000	243,100,000
Yue Wai Mun		
AHS Investments Holdings Pte. Ltd.		
– ordinary shares	2	2
Asian Healthcare Specialist Limited		
– deemed interests	243,100,000	243,100,000

DIRECTORS' STATEMENT

By virtue of Section 7 of the Act, Chin Pak Lin and Yue Wai Mun are deemed to have interests in the other subsidiaries of AHS Investments Holdings Pte. Ltd., all of which are wholly-owned, at the beginning and at the end of the financial year.

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

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2019 (21 days after period end).

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

SHARE OPTIONS

The Company had, on 15 October 2018 entered into an investment agreement with Vanda 1 Investments Pte. Ltd., in relation to:

(a) the proposed issue by the Company of one (1) zero-coupon convertible bond to the Investor in the aggregate principal amount of $5,000,000 due in 2021, convertible in whole or in part into fully-paid ordinary shares in the capital of the Company ("**Conversion Shares**") at a conversion price of $0.25 per Conversion Share, which is subject to adjustments in accordance with the provisions of the Investment Agreement ("**Adjustment Events**"); and

(b) the proposed grant by the Company of one (1) non-listed share option ("**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 ("**Option Shares**") for an aggregate consideration of $5,000,000 at the exercise price of $0.325 per Option Share, which is subject to the Adjustment Events.

On 31 October 2018, the Company completed the issuance.

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee during the year and at the date of this statement are:

Vikram Nair
Siek Wei Ting
Leow Chung Chong Yam Soon

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit and Risk Management Committee has held two meetings since the last directors' statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit and Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual Section B: Rules of Catalist.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Chin Pak Lin
Director

Dr Yue Wai Mun
Director

13 December 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
Asian Healthcare Specialists Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Asian Healthcare Specialists Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 112.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2019, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Valuation of trade receivables ($1.84 million)

Refer to Note 3.5 & 3.6 (accounting policy), Note 7 (financial disclosures) and Note 19 (financial instruments)

The key audit matter

The Group has trade receivables with a carrying value of $1.84 million as at 30 September 2019. Trade receivables represent a significant asset item on the statement of financial position.

The Group has established policies relating to the estimation of the expected credit loss ("**ECL**"), which replaces the incurred loss model. Management assesses the expected loss impairment allowances by applying the simplified approach which requires expected lifetime losses to be recognised from initial recognition to the trade receivables.

There is a risk that the simplified approach to measure the loss allowance at an amount equal to lifetime ECL is not appropriately applied.

How the matter was addressed in our audit

Our procedures included the following:

- We assessed the Group's processes, systems and controls implemented;
- We assessed the reasonableness of management's key judgements and estimates made in adopting the ECL model and tested the completeness, accuracy and relevance of data inputs in the model;
- We evaluated the appropriateness and test the mathematical accuracy of models applied; and
- We assessed the completeness, accuracy and relevance of disclosures in respect of the credit risk of trade receivables are appropriate in the financial statements.

Our findings

The Group has processes in place to review and determine the amount of ECL impairment.

In making its assessment of the ECL impairment, management took into account of the actual credit loss experience over the past three years in order to develop expectation. We considered the estimations made by management based on historical rates of incurred losses with regard to ECL impairment to be reasonable, and the amount of impairment to be adequate.

We also noted that the disclosures meet the requirements of the relevant accounting standards.

INDEPENDENT AUDITORS' REPORT

Goodwill impairment assessment ($10.14 million)

Refer to Note 3.4 & 3.6 (accounting policy) and Note 5 (financial disclosures)

The key audit matter

The assessment of the recoverability of goodwill requires significant judgement in determining the forecasted future performance of the cash generating unit to which goodwill is allocated.

Management's impairment assessment involves significant estimates, principally relating to the key assumptions for revenue growth rates, terminal growth rates and discount rates. The subjectivity of the principal assumptions requires a significant amount of judgement and audit effort.

How the matter was addressed in our audit

We assessed the appropriateness of management's determination of cash generating unit ("**CGU**").

Our work focused on detailed analysis of the Group's value-in-use ("**VIU**") calculations and we challenged the assumptions used by the Group in conducting the impairment review.

Our procedures for challenging management's key assumptions included:

- developing independent expectations for the key assumptions during the cash flow projections, in particular discount rate, and comparing against available industry data to those used by the Group;
- challenging key assumptions for revenue growth rates and terminal growth rates with reference to available economic and industry forecasts; and
- performing sensitivity analysis of the key assumptions to assess the extent of the change that would be required for the assets to be impaired.

We have also assessed whether the Group's disclosures about the CGU's key assumptions used and sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill.

Our findings

We concluded that the identification of CGU was appropriate.

We found that the key assumptions used were appropriate and resulting estimates were within the range of available industry data. The CGU's key assumptions were also appropriately disclosed.

INDEPENDENT AUDITORS' REPORT

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Lim Jek.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 December 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

	Note	Group 30 Sep 2019 $'000	Group 30 Sep 2018 $'000	Group 1 Oct 2017 $'000	Company 30 Sep 2019 $'000	Company 30 Sep 2018 $'000	Company 1 Oct 2017 $'000
ASSETS							
Non-current assets							
Plant and equipment	4	**84**	24	63	**23**	–	–
Goodwill	5	**10,144**	–	–	**–**	–	–
Subsidiaries	6	**–**	–	–	**12,763**	2,431	–
Total non-current assets		**10,228**	24	63	**12,786**	2,431	–
Current assets							
Contract assets	13	**244**	74	113	**–**	–	–
Trade and other receivables	7	**2,160**	1,527	1,488	**5,523**	3,296	–
Cash and cash equivalents		**17,023**	13,021	2,142	**12,210**	8,681	–*
Total current assets		**19,427**	14,622	3,743	**17,733**	11,977	–*
Total assets		**29,655**	14,646	3,806	**30,519**	14,408	–*
EQUITY							
Share capital	8	**22,047**	12,715	2,431	**22,047**	12,715	–*
Other reserves	9	**(1,876)**	(2,431)	(2,431)	**555**	–	–
Retained earnings		**3,184**	2,924	1,852	**2,996**	1,549	–
Total equity attributable to owners of the Company		**23,355**	13,208	1,852	**25,598**	14,264	–*
LIABILITIES							
Non-current liabilities							
Loans and borrowings	10	**4,577**	–	–	**4,577**	–	–
Deferred tax liability	11	**11**	11	11	**–**	–	–
Total non-current liabilities		**4,588**	11	11	**4,577**	–	–
Current liabilities							
Trade and other payables	12	**1,059**	908	1,823	**335**	144	–
Current tax payable		**551**	519	120	**9**	–	–
Contract liabilities	13	**102**	–	–	**–**	–	–
Total current liabilities		**1,712**	1,427	1,943	**344**	144	–
Total liabilities		**6,300**	1,438	1,954	**4,921**	144	–
Total equity and liabilities		**29,655**	14,646	3,806	**30,519**	14,408	–

* *Less than 1,000*

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 $'000	2018 $'000
Revenue	13	**12,205**	10,863
Other income		**293**	119
Items of expense			
Supplies and consumables used		**(1,709)**	(1,716)
Purchased and contracted services		**(75)**	(171)
Staff costs		**(4,859)**	(3,666)
Depreciation of plant and equipment		**(35)**	(53)
Other operating expenses		**(2,290)**	(2,441)
Finance cost		**(163)**	–
Profit before tax		**3,367**	2,935
Tax expense	14	**(500)**	(483)
Profit for the year, representing total comprehensive income for the year, attributable to owners of the Company	15	**2,867**	2,452
Earnings per share			
Basic and diluted (cents)	16	**0.90**	0.93

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 SEPTEMBER 2019

Group	Note	Attributable to owners of the Company Share capital $'000	 Other reserves $'000	 Retained earnings $'000	 Total equity $'000
At 1 October 2017		2,431	(2,431)	1,852	1,852
Profit for the year		–	–	2,452	2,452
Total comprehensive income for the year		–	–	2,452	2,452
Contributions by and distributions to owners					
Issuance of new shares pursuant to IPO		10,787	–	–	10,787
Capitalisation of share issue expenses		(503)	–	–	(503)
Dividends paid	8	–	–	(1,380)	(1,380)
Total transactions with owners		10,284	–	(1,380)	8,904
At 30 September 2018		12,715	(2,431)	2,924	13,208
At 1 October 2018		12,715	(2,431)	2,924	13,208
Profit for the year		–	–	2,867	2,867
Total comprehensive income for the year		–	–	2,867	2,867
Contributions by and distributions to owners					
Issuance of new shares pursuant to the acquisition of a subsidiary	18	9,332	–	–	9,332
Recognition of equity component of convertible bond	9	–	555	–	555
Dividends paid	8	–	–	(2,607)	(2,607)
Total transactions with owners		9,332	555	(2,607)	7,280
At 30 September 2019		22,047	(1,876)	3,184	23,355

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit before tax		**3,367**	2,935
Adjustments for:			
Finance cost		**163**	–
Amortisation of transaction costs capitalised in relation to issuance of convertible bond		**14**	–
Depreciation of plant and equipment	4	**35**	53
Interest income		**(188)**	(34)
		3,391	2,954
Changes in:			
– trade and other receivables		**(515)**	(26)
– trade and other payables		**121**	(332)
– contract assets		**(170)**	39
– contract liabilities		**102**	–
Cash generated from operations		**2,929**	2,635
Interest received		**195**	21
Tax paid		**(502)**	(84)
Net cash generated from operating activities		**2,622**	2,572
Cash flows from investing activities			
Purchase of plant and equipment	4	**(76)**	(14)
Payment for acquisition of subsidiary, net of cash acquired		**(892)**	–
Net cash used in investing activities		**(968)**	(14)
Cash flows from financing activities			
Amounts due to related parties (non-trade)		**–**	(583)
Dividends paid to owners of the Company		**(2,607)**	(1,380)
Gross proceeds from issuance of new shares pursuant to IPO		**–**	10,787
Share issue expenses capitalised in equity		**–**	(503)
Proceeds from issuance of convertible bond	10	**5,000**	–
Payment of transaction costs related to convertible bond issuance	10	**(45)**	–
Net cash generated from financing activities		**2,348**	8,321
Net increase in cash and cash equivalents		**4,002**	10,879
Cash and cash equivalents at 1 October		**13,021**	2,142
Cash and cash equivalents at 30 September		**17,023**	13,021

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 13 December 2019.

1 DOMICILE AND ACTIVITIES

1.1 The Company

The Company was incorporated in the Republic of Singapore on 27 September 2017 under the Singapore Companies Act as a private company limited by shares under the name of Asian Healthcare Specialists Pte. Ltd. and has its registered address at 38 Irrawaddy Road #09-42 Singapore 329563. On 21 March 2018, the Company was converted to a public limited company and changed its name to Asian Healthcare Specialists Limited.

The parent company is AHS Investments Holdings Pte. Ltd., a company incorporated in Singapore.

The principal activities of the Company are those of an investment holding company and management consultancy services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The financial statements of the Group as at and for the year ended 30 September 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

1.2 The restructuring exercise ("Restructuring Exercise")

(i) Incorporation of the Company

The Company was incorporated in the Republic of Singapore on 27 September 2017 under the Companies Act as a private company limited by shares. At the time of incorporation, the Company's issued and paid-up share capital of $1 comprising of one share was held by AHS Investments Holdings Pte. Ltd.

(ii) Incorporation of TOC Holdings Pte. Ltd.

TOC Holdings Pte. Ltd. was incorporated in the Republic of Singapore on 2 October 2017 as a private company limited by shares. The principal activity of TOC Holdings Pte. Ltd. is that of an investment holding company. At the time of incorporation, the entity's issued and paid-up share capital of $1 comprising one share was held by the Company.

(iii) Acquisition of subsidiaries and issuance of consideration shares

Pursuant to the Deed of Restructuring dated 11 October 2017, the Company, AHS Investments Holdings Pte. Ltd. and TOC Holdings Pte. Ltd. acquired all of the issued and paid-up ordinary shares (the "**Sale Shares**") of The Orthopaedic Centre (Novena) Pte. Ltd., The Orthopaedic Centre (Orchard) Pte. Ltd., The Orthopaedic Centre (Farrer) Pte. Ltd. and The Orthopaedic Centre (Gleneagles) Pte. Ltd. (the "**TOC Subsidiaries**") from Dr Chin Pak Lin, Dr Tan Chyn Hong and Dr Su Hsien Ching David. TOC Subsidiaries were held directly and controlled by Dr Chin Pak Lin, Dr Tan Chyn Hong and Dr Su Hsien Ching David prior to 11 October 2017 (the "**Controlling Shareholders**"). In accordance with the Deed of Restructuring, the aggregate consideration for the transfer of the Sale Shares from the Controlling Shareholders to TOC Holdings Pte. Ltd. was $2,430,999 due and payable to the Controlling Shareholders (the "**TOC Subsidiaries Consideration**"). The Controlling Shareholders assigned the TOC Subsidiaries Consideration to the Company, which was satisfied by the issuance of consideration shares in TOC Holdings Pte. Ltd. to the Company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

1 DOMICILE AND ACTIVITIES (CONTINUED)

1.2 The restructuring exercise ("Restructuring Exercise") (Continued)

(iii) Acquisition of subsidiaries and issuance of consideration shares (Continued)

As a result of the assignment of the TOC Subsidiaries Consideration, the amount of $2,430,999 was due and payable by the Company to the Controlling Shareholders. The Controlling Shareholders further assigned the $2,430,999 due and payable by the Company to the Controlling Shareholders to AHS Investments Holdings Pte. Ltd. which was satisfied by the issuance of consideration shares in the Company to AHS Investments Holdings Pte. Ltd..

Following the completion of the Restructuring Exercise and prior to the issuance of 46,900,000 ordinary shares at $0.23 per share on 18 April 2018, pursuant to the listing of the Company on the SGX-Catalist Board on 20 April 2018, AHS Investments Holdings Pte. Ltd. held the entire issued share capital of the Company.

The above Restructuring Exercise is considered to be a business combination involving entities or businesses under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these businesses and entities transferred have been included in the financial statements at their carrying amounts. Although the Restructuring Exercise occurred on 11 October 2017, the financial statements present the financial position and financial performance as if the businesses had always been since the beginning of the earliest period presented.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore (FRSs). An explanation of how the transition to SFRS(I)s and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars ("**$**"), which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included in the following note:

Note 5 – impairment test of goodwill: key assumptions underlying recoverable amounts;

Note 7 – measurement of ECL allowance for trade and other receivables: key assumptions in determining weighted-average loss rate; and

Note 18 – acquisition of subsidiary: determination of the fair value of assets acquired and liabilities assumed, measured on a provisional basis.

There are no critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 18 – acquisition of subsidiary

2.5 Changes in accounting policies

The Group has applied the following amendments for the first time for the annual period beginning on 1 October 2018:

- SFRS(I) 15 *Revenue from Contracts with Customers*;
- *Clarifications to SFRS(I) 15 Revenue from Contracts with Customers* (Amendments to SFRS(I) 15);
- SFRS(I) 9 *Financial Instruments*; and
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4).

The applicable of the above standards and interpretations did not have a significant impact on the Group's financial statements.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 in its financial statements using the retrospective approach. The application of SFS(I) 15 did not have any significant impact on the Group's financial statements.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new ECL model. The Group adopted SFRS(I) 9 from 1 October 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 October 2018.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

The following assessments were made on the basis of facts and circumstances that existed at 1 October 2018.

– The determination of the business model within which a financial asset is held; and

– The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impact upon adoption of SFRS(I) 9 is described below.

(i) Classification and measurement of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument; or fair value through profit or loss (FVTPL). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous categories under FRS 39 of held to maturity, loans and receivables and available for sale.

SFRS(I) 9 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities. On 1 October 2018, there was a change in the balance of trade and other receivables and trade and other payables due to reclassification of contract assets and contract liabilities from trade and other receivables and trade and other payables under SFRS(I) 15.

For an explanation of how the Group classifies and measures financial assets and accounts for related gains and losses under SFRS(I) 9, see note 3.5.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

(i) Classification and measurement of financial assets and financial liabilities (Continued)

The following table and accompanying note below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 October 2018.

Group	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 October 2018 Original carrying amount under FRS 39 $'000	1 October 2018 New carrying amount under SFRS(I) 9 $'000
Financial assets					
Trade and other receivables*	(a)	Loans and receivables	Amortised cost	1,465	1,465
Cash and cash equivalents	(a)	Loans and receivables	Amortised cost	13,021	13,021
Total financial assets				14,486	14,486

Company	Note	Original classification under FRS 39	New classification under SFRS(I) 9	1 October 2018 Original carrying amount under FRS 39 $'000	1 October 2018 New carrying amount under SFRS(I) 9 $'000
Financial assets					
Trade and other receivables*	(a)	Loans and receivables	Amortised cost	3,296	3,296
Cash and cash equivalents	(a)	Loans and receivables	Amortised cost	8,681	8,681
Total financial assets				11,977	11,977

* Excludes prepayments

(a) Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under FRS 39 are now classified at amortised cost. There was no material increase in the allowance for impairment recognised in retained earnings of the Company at 1 October 2018 on transition to SFRS(I) 9.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2019

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost, but not to equity investments.

The Group applied the simplified approach and record lifetime expected losses on all trade receivables. The amount of the allowance was negligible. Accordingly, the Group did not recognise any adjustments to its opening retained earnings on 1 October 2018.

For additional information about how the Group measures the allowance for impairment is described in note 3.5.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 October 2018 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by the Group.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("**NCI**") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that their fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost material and direct labour;
- any other costs directly attributable to bring the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Plant and equipment (Continued)

(iii) Depreciation (Continued)

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture, fittings and office equipment	3 years
Medical equipment	3 years
Renovations	3 years
Computers	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 October 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment – Policy applicable from 1 October 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 October 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 October 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets – Policy applicable before 1 October 2018

The Group classifies non-derivative financial assets into loans and receivables.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 October 2018

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables, excluding prepayments.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 October 2018

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable from 1 October 2018 (Continued)

General approach (Continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 2 years past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 2 years past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable from 1 October 2018 (Continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 October 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (Continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.7 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. Performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from the provision of consultations and operations are recognised upon the completion of the services rendered.

3.9 Government grants

An unconditional government grant is recognised in profit or loss as 'other income' when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.10 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.11 Finance cost

The Group's finance cost includes interest expense on borrowings that are recognised in profit or loss.

Interest expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Finance cost (Continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivables on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Taxes (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.13 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, and intangible assets other than goodwill.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 October 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following standard is expected to have a material impact on the Company's financial statements in the period of initial application.

Applicable to 2020 financial statements

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 October 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 October 2019, with no restatement of comparative information. The Group and Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 October 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group and the Company as lessee

The Group and the Company expect to measure lease liabilities by applying a single discount rate to their portfolio of leases. Furthermore, the Group and the Company are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 October 2019. For lease contracts that contain the option to renew, the Group and the Company are expected to use hindsight in determining the lease term.

The Group and the Company expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application. In addition, the Group will no longer recognise provisions for operating leases that it assessed to be onerous. Instead, the Group will include the payments due under the lease in their lease liability.

As at 1 October 2019, the Group expects an increase in ROU assets and lease liabilities of $1,675,000. The Company expects an increase in ROU assets and lease liabilities of $163,000 as at 1 October 2019.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

4 PLANT AND EQUIPMENT

	Note	Furniture, fittings and office equipment $'000	Medical equipment $'000	Renovations $'000	Computers $'000	Total $'000
Group						
Cost						
At 1 October 2017		15	5	300	98	418
Additions		4	–	2	8	14
Disposals		(2)	–	–	–	(2)
At 30 September 2018		17	5	302	106	430
Additions		1	7	61	7	76
Additions pursuant to the acquisition of a subsidiary	18	–	19	–	–	19
Disposals		–	–	(15)	–	(15)
At 30 September 2019		**18**	**31**	**348**	**113**	**510**
Accumulated depreciation						
At 1 October 2017		11	5	270	69	355
Depreciation for the year		3	–	29	21	53
Disposals		(2)	–	–	–	(2)
At 30 September 2018		12	5	299	90	406
Depreciation for the year		1	7	15	12	35
Disposals		–	–	(15)	–	(15)
At 30 September 2019		**13**	**12**	**299**	**102**	**426**
Carrying amounts						
At 1 October 2017		4	–	30	29	63
At 30 September 2018		5	–	3	16	24
At 30 September 2019		**5**	**19**	**49**	**11**	**84**

	Renovations $'000
Company	
Cost	
At 1 October 2017 and 30 September 2018	–
Additions	23
At 30 September 2019	**23**
Accumulated depreciation	
At 1 October 2017 and 30 September 2018	–
Depreciation for the year	–*
At 30 September 2019	**–***
Carrying amounts	
At 1 October 2017 and 30 September 2018	–
At 30 September 2019	**23**

* *Less than 1,000*

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2019

5 GOODWILL

	Note	Goodwill $'000
Group		
Cost		
At 1 October 2017 and 30 September 2018		–
Acquisition pursuant to the acquisition of a subsidiary	18	10,144
At 30 September 2019		**10,144**
Accumulated impairment losses		
At 1 October 2017 and 30 September 2018		–
Impairment		–
At 30 September 2019		**–**
Carrying amounts		
At 1 October 2017 and 30 September 2018		–
At 30 September 2019		**10,144**

Impairment testing for CGU containing goodwill

For the purposes of impairment testing, goodwill has been wholly allocated to the Group's CGU as follows:

	2019 $'000	2018 $'000	1 Oct 2017 $'000
Group			
Asian Anaesthesia Care Pte. Ltd. ("**AAC**")	**10,144**	–	–

The recoverable amount of CGU was based on its value in use, determined by discounting the post-tax future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use are set out below.

	2019 %	2018 %	1 Oct 2017 %
Group			
Discount rate	**8.3**	–	–
Terminal value growth rate	**2.0**	–	–
Revenue growth rate (average of next five years)	**2.0**	–	–

The discount rate was a post-tax measure estimated based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2019

5 **GOODWILL** (CONTINUED)

Impairment testing for CGU containing goodwill (Continued)

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $2,420,000. Management has identified that a reasonably possible change in discount rate and revenue growth rate for the years 2020 to 2024 could cause the carrying amount to exceed the recoverable amount. An approximate 1% increase in discount rate and a 2% decrease in revenue growth for the years 2020 to 2024 at the reporting date would have reduced the recoverable amount of AAC to the carrying amount.

6 **SUBSIDIARIES**

		Company	
	2019	**2018**	**1 Oct 2017**
	$'000	**$'000**	**$'000**
Equity investments at cost	**12,763**	2,431	–

As at 30 September 2018 and 2019, the subsidiaries of the Group are as follows:

Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2019	**2018**
			%	**%**
The Orthopaedic Centre (Farrer) Pte. Ltd.	Singapore	Medical consultancy and services in orthopaedic	**100**	100
The Orthopaedic Centre (Gleneagles) Pte. Ltd.	Singapore	Medical consultancy and services in orthopaedic	**100**	100
The Orthopaedic Centre (Novena) Pte. Ltd.	Singapore	Medical consultancy and services in orthopaedic	**100**	100
The Orthopaedic Centre (Orchard) Pte. Ltd.	Singapore	Medical consultancy and services in orthopaedic	**100**	100
The Orthopaedic Centre (International) Pte. Ltd.	Singapore	Medical consultancy and services in orthopaedic	**100**	100
TOC Holdings Pte. Ltd.	Singapore	Investment holding, business and management consultancy services	**100**	100
Asian Anaesthesia Care Pte. Ltd. (note 18)	Singapore	Medical consultancy and services in anaesthesia	**100**	–

NOTES TO THE FINANCIAL STATEMENTS

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7 TRADE AND OTHER RECEIVABLES

	Group			Company		
	2019	2018	1 Oct 2017	2019	2018	1 Oct 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Trade						
Trade receivables	**2,053**	1,457	2,018	**426**	66	–
Less: Impairment losses	**(217)**	(217)	(643)	**–**	–	–
	1,836	1,240	1,375	**426**	66	–
Amounts due from subsidiaries (non-trade)	**–**	–	–	**5,075**	3,202	–
Other receivables	**5**	30	29	**5**	28	–
Deposits	**176**	195	84	**17**	–	–
Prepayments	**143**	62	–	**–**	–	–
	2,160	1,527	1,488	**5,523**	3,296	–

The Company's trade receivables comprise management fee receivables, due from the Company's subsidiaries.

Amounts due from subsidiaries (non-trade) are unsecured, interest free and repayable on demand. Included in the amount is dividend receivable from its subsidiaries amounting to $2,397,000 (2018: $3,000,000; 1 Oct 2017: NIL).

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 19.

8 SHARE CAPITAL

	Ordinary shares	
	2019	2018
	No. of shares	
Company	'000	'000
In issue at 1 October	**290,000**	–*
Restructuring exercise(1)	**–**	2,431
Shares split exercise(2)	**–**	240,669
New shares issued pursuant to IPO(3)	**–**	46,900
New shares issued pursuant to acquisition of a subsidiary(4)	**35,893**	–
In issue at 30 September	**325,893**	290,000

* *Less than 1,000*

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

All issued shares are fully paid, with no par value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

8 SHARE CAPITAL (CONTINUED)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Issuance of ordinary shares

(1) Pursuant to the Deed of Restructuring dated 11 October 2017, the Company had issued 2,430,999 ordinary shares at $1 each to the controlling shareholders of the holding company, AHS Investments Holdings Pte. Ltd.

(2) On 22 March 2018, 2,431,000 ordinary shares in the capital of the Company were split into 243,100,000 ordinary shares.

(3) On 18 April 2018, a total of 46,900,000 ordinary shares were issued at $0.23 per share, pursuant to the listing of the Company on the SGX-Catalist Board on 20 April 2018.

(4) On 28 November 2018, a total of 35,892,857 ordinary shares were issued pursuant to the acquisition of the entire issued and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd..

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	2019 $'000	2018 $'000
Interim dividend of $0.33 per ordinary share for the financial year ended 30 September 2018 declared on 31 January 2018	–	800
Interim dividend of $0.002 per ordinary share for the financial year ended 30 September 2018 declared on 5 June 2018	–	580
Final dividend of $0.004 per ordinary share for the financial year ended 30 September 2018 declared on 28 January 2019	**1,304**	–
Interim dividend of $0.004 per ordinary share for financial year ended 30 September 2019 declared on 9 May 2019	**1,303**	–
	2,607	1,380

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company 2019 $'000	 2018 $'000
Final dividend of $0.009 (2018: $0.004) per ordinary share for the financial year ended	**2,933**	1,160

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

9 OTHER RESERVES

	Note	Group 2019 $'000	Group 2018 $'000	1 Oct 2017 $'000
Non-distributable reserves:				
– Merger reserve		**(2,431)**	(2,431)	(2,431)
– Equity component of convertible bond	10	**555**	–	–
		(1,876)	(2,431)	(2,431)

Merger reserve

Merger reserve arose from the restructuring exercise in 2018 which involved related parties under common control, represents the difference between the consideration paid and the issued share capital of subsidiaries under common control that are accounted for by applying the "pooling-of-interest" method.

10 LOANS AND BORROWINGS

	Group 2019 $'000	Group 2018 $'000	1 Oct 2017 $'000
Non-current liability			
– Convertible bond	**4,577**	–	–

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate and liquidity risks are calculated in note 19.

Terms and conditions of outstanding loans and borrowings are as follow:

				2019		2018		1 Oct 2017	
	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Group and Company									
Convertible bond	SGD	4%	2021	**5,000**	**4,577**	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

10 LOANS AND BORROWINGS (CONTINUED)

Convertible bond

	Group and Company 2019 $'000
Proceeds from issue of convertible bond	**5,000**
Transaction costs	**(45)**
Net proceeds	**4,955**
Amount classified as equity	**(555)**
Amortisation of the transaction costs	**14**
Finance cost	**163**
Carrying amount of liability at 30 September 2019	**4,577**

The amount of the convertible bond classified as equity of $555,000.

The convertible bond was issued on 31 October 2018. They are convertible in all or part (in whole or in single denominations of $1,000,000) at $0.25 per conversion share at the option of the holder, at any time until the date falling three (3) years of the convertible bond issue date ("**Conversion Period**"). Any unconverted convertible bond after the Conversion Period, shall become repayable within seven (7) business days.

Grant of non-listed share option was issued 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 $5,000,000 at the exercise price of $0.325 per share.

Reconciliation of movements of liability to cash flows arising from financing activities

Group	**Convertible bond $'000**
Balance as at 1 October 2018	–
Changes from financing cash flows	
Proceeds from issue of convertible bond	5,000
Payment of transaction costs related to loans and borrowings	(45)
Total changes from financing cash flows	4,955
Other changes	
Liability-related	
Amortisation of transaction costs related to loans and borrowings	14
Interest expense	163
Total liability-related other changes	177
Total equity-related changes	(555)
Balance as at 30 September 2019	**4,577**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

11 DEFERRED TAX LIABILITY

Recognised deferred tax liability

Deferred tax liability is attributable to the following:

	Assets			Liabilities			Net		
	2019 $'000	2018 $'000	1 Oct 2017 $'000	2019 $'000	2018 $'000	1 Oct 2017 $'000	2019 $'000	2018 $'000	1 Oct 2017 $'000
Group									
Plant and equipment	**–**	–	–	**(11)**	(11)	(11)	**(11)**	(11)	(11)
Tax liabilities	**–**	–	–	**(11)**	(11)	(11)	**(11)**	(11)	(11)

Movement in temporary differences during the year

	At 1/10/2017 $'000	Recognised in profit or loss $'000 (Note 14)	At 30/9/2018 $'000	Recognised in profit or loss $'000 (Note 14)	At 30/9/2019 $'000
Plant and equipment	(11)	–	(11)	–	**(11)**

Unrecognised deferred tax assets

	Group			Company		
	2019 $'000	2018 $'000	1 Oct 2017 $'000	2019 $'000	2018 $'000	1 Oct 2017 $'000
Deductible temporary differences	**–**	–	2	**–**	–	–
Tax losses	**–**	121	253	**–**	73	–
	–	121	255	**–**	73	–

12 TRADE AND OTHER PAYABLES

	Group			Company		
	2019 $'000	2018 $'000	1 Oct 2017 $'000	2019 $'000	2018 $'000	1 Oct 2017 $'000
Trade payables	**416**	350	136	**56**	28	–
Amounts due to related parties (trade)	**9**	184	1,059	**–**	–	–
Amounts due to related parties (non-trade)	**–**	–	583	**–**	–	–
Accrued expenses	**634**	374	45	**279**	116	–
	1,059	908	1,823	**335**	144	–

Amounts due to related parties that are non-trade in nature, are interest-free, unsecured and repayable on demand.

The Group and the Company's exposure to liquidity risk related to trade and other payables are disclosed in note 19.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

13 REVENUE

	Group	
	2019	**2018**
	$'000	**$'000**
Medical consultancy and services	**12,205**	10,863
	12,205	10,863

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Medical consultancy and services

Nature of goods or services	The Group provides comprehensive general and sub-specialised orthopaedic services, trauma and sports services, including anaesthesia services.
When revenue is recognised	Revenue is recognised when the service has been rendered.
Significant payment terms	Invoices are issued upon completion of services and upon discharge of patients from the hospital. Provision of medical consultancy and services are due upon completion of services.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Note	**2019**	**2018**	**1 Oct 2017**
		$'000	**$'000**	**$'000**
Trade receivables	7	1,836	1,240	1,375
Contract assets		244	74	113
Contract liabilities		(102)	–	–

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on medical consultancy and services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for medical consultancy and services provided.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

13 REVENUE (CONTINUED)

Contract balances (Continued)

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Contract assets		Contract liabilities	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Increases in contract liabilities due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(102)**	–
Contract asset reclassified to trade receivables	**74**	113	**–**	–

14 TAX EXPENSE

	Group	
	2019	2018
	$'000	$'000
Current tax expense		
Current year	**519**	499
Over provision of prior year	**(19)**	(16)
	500	483

	Group	
	2019	2018
	$'000	$'000
Reconciliation of tax expense		
Profit before tax	**3,367**	2,935
Tax calculated using tax rate of 17% (2018: 17%)	**572**	499
Non-deductible expenses	**69**	159
Tax exempt income	**(105)**	(101)
Tax incentives	**(1)**	(34)
Recognition of tax effect of previously unrecognised tax losses	**(18)**	(36)
Current year losses for which no deferred tax assets was recognised	**–**	12
Over-provision in respect of prior year's current tax	**(19)**	(16)
Others	**2**	–
	500	483

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

15 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

		Group	
	Note	2019 $'000	2018 $'000
Audit fees paid to:			
– auditors of the Company		**135**	255
Non-audit fees paid to:			
– auditors of the Company		**–**	5
– other auditors		**103**	77
Government grants		**(105)**	(85)
Interest income		**(188)**	(34)
Contribution to defined contribution plan included in staff costs		**251**	188
Depreciation of plant and equipment	4	**35**	53
Expenses for corporate exercise		**230**	965
Impairment loss:			
– Trade receivables	19	**–**	13
Operating lease expenses		**457**	343

16 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 30 September 2019 and 2018 was based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2019 $'000	2018 $'000
Profit for the year	**2,867**	2,452

Weighted-average number of ordinary shares

	Group Number of shares	
	2019 '000	2018 '000
Issued ordinary shares on 1 October	**290,000**	243,100
Effect of shares issued on 18 April 2018	**–**	21,201
Effect of shares issued on 28 November 2018	**30,091**	–
At 30 September	**320,091**	264,301

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2019

16 EARNINGS PER SHARE (CONTINUED)

Weighted-average number of ordinary shares (Continued)

The Company's pre-placement number of ordinary shares of 243,100,000 reflects the weighted average number of shares as at 1 October 2017 adjusted for (i) the shares issued to the Controlling Shareholders after the Restructuring Exercise pursuant to the reorganisation as described in note 1.2, and (ii) shares split on 22 March 2018 as described in note 8, on the basis that the shares transfer and split had taken effect as of 1 October 2016.

There were no potential dilutive ordinary shares for the years ended 30 September 2019 and 2018. As such, the profit attributable to ordinary shareholders and the number of ordinary shares used in the calculation of diluted earnings per share are the same as those used in the calculation of basic earnings per share.

17 OPERATING SEGMENTS

The Group has the following three operating segments, which are its reportable segments. These segments offer different services and are managed separately because they require different technology and marketing strategies. The Group's CEO reviews internal management reports of each segments regularly. The following summary describes the operations in each of the Group's reportable segments:

- Providing medical consultancy and services in the field of orthopaedic medicine
- Providing anaesthetic services
- Providing group-level corporate services and strategic management function

Major customers

Revenue are mainly derived from walk-in patients which are members of the public. Due to the diverse base of customers to whom the Group renders services in each of the reporting periods, the Group is not reliant on any customers for its revenue and no one single customer accounted for 5% or more of the Group's total revenue.

Information about reportable segments

Group	Orthopaedic		Anaesthetic		Corporate	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	**11,124**	10,863	**1,081**	–	**–**	–
Depreciation and amortisation	**29**	53	**6**	–	**14**	–
Segment profit/(loss) before tax	**3,706**	4,420	**746**	–	**(1,085)**	(1,485)
Reportable segment assets	**6,524**	5,937	**732**	–	**30,519**	14,408
Reportable segment liabilities	**5,936**	4,032	**392**	–	**4,912**	144
Impairment loss on trade receivables	**–**	13	**–**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

17 OPERATING SEGMENTS (CONTINUED)

Information about reportable segments (Continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities:

	2019 $'000	2018 $'000
Revenues		
Total revenue for reportable segments	**12,205**	10,863
Profit before tax		
Total profit or loss before tax for reportable segments	**3,367**	2,935
Assets		
Total assets for reportable segments	**37,775**	20,345
Elimination of inter-segment assets	**(8,120)**	(5,699)
Consolidated total assets	**29,655**	14,646
Liabilities		
Total liabilities for reportable segments	**11,240**	4,176
Elimination of inter-segment liabilities	**(5,502)**	(3,268)
Current tax liabilities	**551**	519
Deferred tax liabilities	**11**	11
Consolidated total liabilities	**6,300**	1,438

18 ACQUISITIONS OF SUBSIDIARY

Acquisition of subsidiary

On 28 November 2018, the Group acquired 100% issued and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd. ("**AAC**").

Taking control of AAC will bring synergies with the Group's existing surgical business. The acquisition also will enable the Group to establish a pain management centre.

For the 10 months ended 30 September 2019, AAC contributed revenue of $1,081,000 and profit before tax of $746,000 to the Group's results. There is no material impact on the consolidated revenue and profit for the year if the acquisition had occurred on 1 October 2018.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	Note	$'000
Cash		1,000
Equity instruments issued (35,892,857 ordinary shares)	8	9,332
Total consideration transferred		10,332

NOTES TO THE FINANCIAL STATEMENTS

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18 ACQUISITIONS OF SUBSIDIARY (CONTINUED)

Consideration transferred (Continued)

Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 28 November 2018 of $0.26 per share.

(a) Acquisition-related costs

The Group incurred acquisition-related costs of $95,000 on professional fees, stamp duty and processing fees. These costs have been included in 'Other operating expenses'.

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2019 $'000
Plant and equipment	19
Cash and cash equivalents	108
Trade and other receivables	125
Current tax liabilities	(34)
Trade and other payables	(30)
Total identifiable net assets	188

(c) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets required	Valuation technique
Plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	2019 $'000
Total consideration transferred	10,332
Fair value of identifiable net assets	(188)
Goodwill	10,144

Goodwill comprises of expected surgeries from integrating the operations of the Group and the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

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19 FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

The carrying amount of financial assets and contract assets in the statements of financial position represents the Group's respective maximum exposure to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

Risk management policy

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. To minimise the risk of bad debts, non-corporate customers are generally requested to place an initial deposit at the time of admission to the hospitals. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

Exposure to credit risk, credit quality and collateral

The Group's primary exposure to credit risk arises through its cash and cash equivalents, trade and other receivables and contract assets. Concentration of credit risk relating to trade receivables and contract assets are limited due to the Group's many varied customers. The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

19 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Comparative information under FRS 39

The ageing of trade receivables and contract assets at the reporting date is:

	Gross 2018 $'000	Impairment losses 2018 $'000	Gross 1 Oct 2017 $'000	Impairment losses 1 Oct 2017 $'000
Group				
Not past due	74	–	113	–
Past due 1 – 30 days	749	(25)	735	(7)
Past due 31 – 120 days	371	(16)	444	(32)
Past due 121 – 365 days	206	(45)	259	(122)
Past due more than 365 days	131	(131)	580	(482)
	1,531	(217)	2,131	(643)

In the prior year, the Group established an allowance for impairment that represent its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Expected credit loss assessment for trade receivables and contract assets as at 1 October 2018 and 30 September 2019

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers which comprise a very large number of small balances. As the Group's past default experiences do not show significantly different loss patterns from different customers, the allowance matrix is not further distinguished between the different customer bases.

Allowance for impairment losses are made based on the historical trend of incurred losses.

NOTES TO THE FINANCIAL STATEMENTS

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19 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Comparative information under FRS 39 (Continued)

Expected credit loss assessment for trade receivables and contract assets as at 1 October 2018 and 30 September 2019 (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 30 September 2019:

	Weighted average loss rate %	Gross $'000	Impairment losses $'000
Not past due	–	244	–
Past due 1 – 60 days	2.1	1,230	26
Past due 61 – 120 days	7.8	294	23
Past due 121 – 365 days	17.7	334	59
Past due more than 365 days	55.9	195	109
		2,297	217

Loss rates are based on actual credit loss experience over the past three years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Movements in allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2019 $'000	2018 $'000
At 1 October	**(217)**	(643)
Impairment loss recognised	**–**	(13)
Written off	**–**	439
At 30 September	**(217)**	(217)

19 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Comparative information under FRS 39 (Continued)

Other receivables

Group

Impairment on deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Other receivables are considered to have low credit risks as they are not due for payment at the end of reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The amount of the allowance on other receivables was negligible.

Company

Amounts due from subsidiaries

Impairment on the amounts due from subsidiaries has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant as none of the amounts due from related corporations at the end of the reporting period is past due and there has been no significant increase in the risk of default on these balances since initial recognition.

Cash and cash equivalent

The Company held cash and cash equivalent of $17,023,000 at 30 September 2019 (2018: $13,021,000). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA-, based on S&P's ratings as at 30 September 2019.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

19 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting year based on undiscounted contractual payments:

	Note	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000
Group					
30 September 2019					
Non-derivative financial liabilities					
Trade and other payables	12	**1,059**	**(1,059)**	**(1,059)**	**–**
Contract liabilities		**102**	**(102)**	**(102)**	**–**
Convertible bond	10	**4,577**	**(5,000)**	**–**	**(5,000)**
		5,738	**(6,161)**	**(1,161)**	**(5,000)**
30 September 2018					
Non-derivative financial liabilities					
Trade and other payables	12	908	(908)	(908)	–
Company					
30 September 2019					
Non-derivative financial liabilities					
Trade and other payables	12	**335**	**(335)**	**(335)**	**–**
Convertible bond	10	**4,577**	**(5,000)**	**–**	**(5,000)**
		4,912	**(5,335)**	**(335)**	**(5,000)**
30 September 2018					
Non-derivative financial liabilities					
Trade and other payables	12	144	(144)	(144)	–

Market risk

The Group's exposure to market risk (i.e. market prices, such as foreign exchange rates and equity prices, and interest rates) is minimal.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

19 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities are as follows. The fair value hierarchy is not included as the carrying amounts of financial assets and liabilities is a reasonable approximation of fair value.

	Amortised cost $'000	Other financial liabilities $'000	Total $'000
Group			
30 September 2019			
Financial assets not measured at fair value			
Trade and other receivables*	**2,017**	**–**	**2,017**
Contract assets	**244**	**–**	**244**
Cash and cash equivalents	**17,023**	**–**	**17,023**
	19,284	**–**	**19,284**
Financial liabilities not measured at fair value			
Trade and other payables	**–**	**(1,059)**	**(1,059)**
Contract liabilities	**–**	**(102)**	**(102)**
Convertible bond	**–**	**(4,577)**	**(4,577)**
	–	**(5,738)**	**(5,738)**

	Loans and receivables $'000	Other financial liabilities $'000	Total $'000
Group			
30 September 2018			
Financial assets not measured at fair value			
Trade and other receivables*	1,465	–	1,465
Contract assets	74	–	74
Cash and cash equivalents	13,021	–	13,021
	14,560	–	14,560
Financial liabilities not measured at fair value			
Trade and other payables	–	(908)	(908)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

19 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Categories of financial instruments (Continued)

	Amortised cost $'000	Other financial liabilities $'000	Total $'000
Company			
30 September 2019			
Financial assets not measured at fair value			
Trade and other receivables*	**5,523**	**–**	**5,523**
Cash and cash equivalents	**12,210**	**–**	**12,210**
	17,733	**–**	**17,733**
Financial liabilities not measured at fair value			
Trade and other payables	**–**	**(335)**	**(335)**
Convertible bond	**–**	**(4,577)**	**(4,577)**
	–	**(4,912)**	**(4,912)**

	Loans and receivables $'000	Other financial liabilities $'000	Total $'000
Company			
30 September 2018			
Financial assets not measured at fair value			
Trade and other receivables*	3,296	–	3,296
Cash and cash equivalents	8,681	–	8,681
	11,977	–	11,977
Financial liabilities not measured at fair value			
Trade and other payables	–	(144)	(144)

* Excluding prepayments

Measurement of fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, trade and other receivables, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

20 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Within one year	**523**	562
Between one and five years	**890**	1,218
	1,413	1,780

The Group leases a number of clinics under operating leases. The leases typically run for a period between two to six years, with an option to renew the lease after that date.

21 CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and to sustain future development of the business. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment. There were no changes in the Group's approach to capital management during the financial year.

22 RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Transactions with key management personnel

Key management personnel and director transactions

Key management personnel compensation comprised:

	Group	
	2019	**2018**
	$'000	**$'000**
Short-term employee benefits (including director fees)	**2,905**	2,484
Post-employment benefits (including CPF)	**108**	95
	3,013	2,579

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

22 RELATED PARTIES (CONTINUED)

Transactions with key management personnel (Continued)

Key management personnel and director transactions (Continued)

Directors of the Company control 72.36% of the voting shares of the Company through AHS Investments Holdings Pte. Ltd.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control were as follows:

	Transaction value for the year ended 30 September		Balance outstanding as at 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Rental of premise	**96**	95	**9**	184

The Group entered into a three-year tenancy contract with CTS Holding Pte. Ltd., a company controlled by the key management personnel, for the premise situated at 1 Farrer Park Station Road, Unit #14-05, Connexion, Singapore 217562, for operation purposes. The monthly rental is $8,000. The contract terms are based on market rates for these types of commercial properties rental, and amounts are payable on a monthly basis for the duration of the contract.

Other related party transactions

	Transaction value for the year ended 30 September		Balance outstanding as at 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Company				
Management fees charged to:				
Subsidiaries	**1,147**	116	**426**	66

23 SUBSEQUENT EVENT

On 4 December 2019, the Company entered into a sale and purchase agreement (the "**Acquisition**") to acquire 51% of the issued and paid-up shares in Cornerstone Asia Health Pte. Ltd.. The consideration of the acquisition is $32,084,559 to be satisfied by the Company as follows, on completion date:

a) $5,000,000 in cash; and

b) $27,084,559 by the issue and allotment of 104,171,380 new shares credited and fully paid up at an issue price of $0.26.

STATISTICS OF SHAREHOLDINGS

AS AT 10 DECEMBER 2019

SHAREHOLDERS' INFORMATION AS AT 10 DECEMBER 2019

Class of shares	:	Ordinary shares
Authorised share capital	:	S$23,268,000
Issued and fully paid-up capital	:	S$23,268,000
Number of Shares issued	:	325,892,857
Voting rights	:	One vote per share

The Company does not hold any treasury shares and subsidiary holdings.

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	–	–	–	–
100 – 1,000	23	7.08	14,900	0.01
1,001 – 10,000	131	40.31	812,400	0.25
10,001 – 1,000,000	161	49.54	17,741,600	5.44
1,000,001 and above	10	3.07	307,323,957	94.30
Total	**325**	**100.00**	**325,892,857**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 10 DECEMBER 2019

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
AHS Investments Holdings Pte. Ltd.[1]	235,807,000	72.36	7,293,000	2.24
Chin Pak Lin[2]	–	–	243,100,000	74.60
Yue Wai Mun[2]	–	–	243,100,000	74.60
Su Hsien Ching David[2]	–	–	243,100,000	74.60
Tan Chyn Hong[2]	–	–	243,100,000	74.60
Lim Tet Chen Roy	35,922,857	11.02	–	–

Notes:

(1) Pursuant to a consultancy agreement between AHS Investments Holdings Pte. Ltd. ("**AHSIH**") and Dr Lim Cheok Peng ("**Dr Lim**") in consideration for the provision of advisory and consultancy services to AHSIH, 7,293,000 Shares were transferred by AHSIH to Dr Lim. Dr Lim has granted a right of first refusal to AHSIH in respect of the 7,293,000 Shares held by him and accordingly, AHSIH is deemed interested in the Shares held by Dr Lim.

(2) The shareholders of AHSIH are Dr Chin Pak Lin, Dr Yue Wai Mun, Dr Su Hsien Ching David and Dr Tan Chyn Hong in equal proportions. Accordingly, each of Dr Chin Pak Lin, Dr Yue Wai Mun, Dr Su Hsien Ching David and Dr Tan Chyn Hong is deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the Securities and Futures Act.

STATISTICS OF SHAREHOLDINGS

AS AT 10 DECEMBER 2019

TWENTY LARGEST SHAREHOLDERS AS AT 10 DECEMBER 2019

No.	Name of Shareholders	Number of Shares	%
1.	AHS INVESTMENTS HOLDINGS PTE. LTD.	235,807,000	72.36
2.	LIM TET CHEN ROY	35,922,857	11.02
3.	STF INVESTMENTS LTD	10,138,300	3.11
4.	LIM CHEOK PENG	7,293,000	2.24
5.	VSTL INVESTMENT LTD	5,315,600	1.63
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	4,833,500	1.48
7.	CHUA WEIJIE	3,173,000	0.97
8.	THNG HONG FOO (TANG KANGFU)	1,745,000	0.54
9.	DBS NOMINEES (PRIVATE) LIMITED	1,683,100	0.52
10.	RAFFLES NOMINEES (PTE.) LIMITED	1,412,600	0.43
11.	SEAH CHENG GUAN	957,000	0.29
12.	SEET KAH KOY (XUE JIAQU)	850,000	0.26
13.	TEO SAY KUAN	800,000	0.25
14.	VINCENT SIM TECK LENG (SHEN DELONG)	800,000	0.25
15.	LAU PIN LING @MERLIN LAU	770,000	0.24
16.	MOHAMMAD MASHFIQUL ARAFIN SIDDIQUI	713,800	0.22
17.	LEE CHIEW ENG	700,000	0.21
18.	MAYBANK KIM ENG SECURITIES PTE.LTD	469,400	0.14
19.	OCBC SECURITIES PRIVATE LIMITED	460,000	0.14
20.	CHONG YOON PHIN	435,000	0.13

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

14.38% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

INFORMATION ON CONVERTIBLE SECURITIES

CONVERTIBLE BOND AND OPTION

The Company has, on 15 October 2018 entered into an investment agreement ("**Investment Agreement**") with Vanda 1 Investments Pte. Ltd. (the "**Investor**"), in relation to:

(a) the proposed issue by the Company of one (1) zero-coupon convertible bond to the Investor ("**Convertible Bond Issuance**") 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 ("**Conversion Shares**") at a conversion price of S$0.25 per Conversion Share ("**Conversion Price**"), which is subject to adjustments in accordance with the provisions of the Investment Agreement ("**Adjustment Events**"); and

(b) the proposed grant by the Company of one (1) non-listed share option ("**Option**") ("**Grant of 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 ("**Option Shares**") for an aggregate consideration of S$5,000,000 at the exercise price of S$0.325 per Option Share ("**Option Price**"), which is subject to the Adjustment Events.

Pursuant to the Investment Agreement, the principal terms of the Convertible Bond are summarised as follows:

Principal Sum	S$5,000,000
Interest	The Convertible Bond is a zero-coupon instrument and shall accordingly not bear any interest.
Conversion Right and Conversion Period	The right of the Investor to convert all or part of the outstanding principal amount ("**Designated Principal Amount**") of the Convertible Bond (in whole or in single denominations of S$1,000,000) ("**Conversion Right**") may be exercised at any time, at the option of the Investor, from the Convertible Bond Closing Date (as defined below) until the date falling three (3) years of the Convertible Bond Closing Date.
Conversion Price	S$0.25 per Conversion Share, subject to adjustments pursuant to the Adjustment Events.
Adjustment Events	The Conversion Price and number of Conversion Shares to be issued are subject to certain anti-dilution adjustments under certain circumstances provided for in the Investment Agreement, including, *inter alia*: (a) any consolidation, subdivision, or reclassification of Shares; (b) issue by the Company of Shares credited as fully-paid by way of capitalization of profits or reserves; and (c) issuance of securities, other than specific excluded events. The Option and the grant of any new options or awards pursuant to the Company's existing AHS Performance Share Plan adopted on 22 March 2018 shall not result in any adjustments.
Conversion Shares and Status	The number of Conversion Shares (rounded up to the nearest whole number) to be issued on any conversion of the whole or part of the Convertible Bond shall be determined as follows: $\text{Number of Conversion Shares (rounded up to the nearest whole number)} = \dfrac{\text{Designated Principal Amount}}{\text{Conversion Price}}$

INFORMATION ON CONVERTIBLE SECURITIES

	Assuming that there are no Adjustment Events which will result in adjustments to the Conversion Price and that the Conversion Right is fully exercised in respect of the entire principal amount of the Convertible Bond, the maximum number of Conversion Shares of 20,000,000 Shares when allotted and issued, will represent approximately 6.9% of the Existing Shares, 6.5% of the enlarged share capital of 310,000,000 Shares, after the full conversion of the Convertible Bond, and approximately 6.1% of the enlarged share capital of 325,384,615 Shares after the full conversion of the Convertible Bond and the full exercise of the Option. The Conversion Shares when issued will be duly authorized, validly issued and fully-paid Shares which are free from encumbrances and will rank *pari passu* in all respects with the then existing Shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date which falls before the date of issue of the Conversion Shares.
Maturity and Redemption	The maturity date of the Convertible Bond shall be the date falling three (3) years of the Convertible Bond Closing Date ("**Redemption Date**"). Within seven (7) business days of Redemption Date, if the Investor has not exercised its Conversion Right during the Conversion Period, the Company shall redeem the Convertible Bond by paying an amount equivalent to the outstanding principal amount of the Convertible Bond to the Investor.

Pursuant to the Investment Agreement, the principal terms of the Option are summarised as follows:

Option Shares Consideration	S$5,000,000
Exercise Right of Option	The Option may be exercised in whole or in part at any time from the period commencing on the Convertible Bond Closing Date to the Investor and expiring on the third anniversary of the Convertible Bond Closing Date (both dates inclusive) ("**Exercise Period**"), provided that the relevant portion of the Option Shares Consideration payable by an Investor at each completion of the Investor's subscription of the Option Shares ("**Designated Option Shares Consideration**") shall be in denominations of S$1,000,000.
Option Price	S$0.325 per Option Share, subject to adjustments pursuant to the Adjustment Events.
Adjustment Events	The Exercise Price and number of Option Shares to be issued are subject to certain anti-dilution adjustments under certain circumstances provided for in the Investment Agreement, including, *inter alia*: (a) any consolidation, subdivision, or reclassification of Shares; (b) issue by the Company of Shares credited as fully-paid by way of capitalization of profits or reserves; and (c) issuance of securities, other than specific excluded events. The Convertible Bond and the grant of any new options or awards pursuant to the Company's existing AHS Performance Share Plan adopted on 22 March 2018 shall not result in any adjustments.

INFORMATION ON CONVERTIBLE SECURITIES

Number of Option Shares and Status	The number of Option Shares to be issued pursuant to any exercise of the Option in whole or in part (rounded up to the nearest whole number) shall be calculated in accordance with the following formula: $$\text{Number of Option Shares (rounded up to the nearest whole number)} = \frac{\text{Designated Option Shares Consideration}}{\text{Option Price}}$$ Assuming that there are no adjustments to the Option Price pursuant to an Adjustment Event and that the Option is exercised in full by the Investor, the maximum number of Option Shares of 15,384,615 Shares when allotted and issued, will represent approximately 5.3% of the Existing Shares and 4.7% of the enlarged share capital of 325,384,615 Shares after the full conversion of the Convertible Bond and the full exercise of the Option. The Option Shares when issued will be duly authorized, validly issued and fully-paid Shares which are free from encumbrances and will rank *pari passu* in all respects with the then existing Shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date which falls before the date of issue of the Option Shares.
Conditions precedent to the Exercise of the Option	The issue of the Option Shares pursuant to the exercise of the Option shall be conditional upon, *inter alia*, the following: (a) the conversion of the Convertible Bond by the Investor in full and the allotment and issue of the Conversion Shares in accordance with the Investment Agreement; (b) the approval of the shareholders of the Company for grant of the Option and the issue of the Option Shares being obtained (including a general mandate obtained from such shareholders), and such shareholders' approval remaining in full force and effect and not having been revoked or varied; and (c) the approval in-principal from the SGX-ST for the listing and quotation of the Option Shares on Catalist having been obtained and such approval being in full force and effect as at the date falling three (3) business days from the date an exercise notice in connection with the Option is received by the Company, and not having been revoked or varied, and where such approval is subject to conditions, such conditions being reasonably acceptable to the parties, and to the extent that any such conditions are required to be fulfilled on or before the closing date of the allotment and issuance of the Option Shares, such conditions having been fulfilled or waived by the SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dr Yue Wai Mun and Mr Vikram Nair are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Thursday, 23 January 2020 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules, is as set out below:

	YUE WAI MUN	**VIKRAM NAIR**
Date of appointment	27 September 2017	28 March 2018
Date of last re-appointment	N/A	28 January 2019
Age	51	41
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr Yue as Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Yue's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Nair as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Nair's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Executive As Executive Director and Chief Medical Officer, Dr Yue is responsible for the undertaking of day-to-day management of the Group.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Director • Chief Medical Officer	• Non-Executive and Independent Director • Chairman of Remuneration Committee • Member of Audit and Risk Management and Nominating Committees
Professional qualifications	• Bachelor or Medicine, National University of Singapore • Bachelor of Surgery, National University of Singapore • Fellow of the Royal College of Surgeons of Edinburgh • Fellow of the Academy of Medicine (Orthopaedic Surgery)	• Bachelor of Arts with Honours, University of Cambridge

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YUE WAI MUN	VIKRAM NAIR
Working experience and occupation(s) during the past 10 years	2015 – Present: • Executive Director and Chief Medical Officer, Asian Healthcare Specialists Limited • Adjunct Associate Professor, Duke-NUS Graduate Medical School 2009 – 2015 • Senior Consultant, Spine Service of the Department of Orthopaedic Surgery, Singapore General Hospital	2014 – Present: • Partner, Rajah & Tann Singapore LLP 2011 – Present: • Member of Parliament for Sembawang Group Representation Constituency
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest – 243,100,000 ordinary shares held by AHS Investments Holdings Pte. Ltd. (“**AHSIH**”)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Dr Yue holds 25.0% of the shares of AHSIH, where AHSIH in turn holds 72.36% of the shares in the Company. The shareholders of AHSIH are Dr Chin Pak Lin, Dr Su Hsien Ching David, Dr Tan Chyn Hong and Dr Yue himself. Accordingly, each of Dr Chin, Dr Su, Dr Tan and Dr Yue is deemed interested in the shares that AHSIH is interested in by virtue of Section 4 of the Securities Futures Act.	None
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rules 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YUE WAI MUN	VIKRAM NAIR
Other Principal Commitments including Directorships	**Past (for the last 5 years)** *Non-Listed Companies* ■ Director, Ortho.Spine.Mis Pte. Ltd. **Present** *Listed Companies* ■ Chief Medical Officer, Asian Healthcare Specialists Limited *Non-Listed Companies* ■ Director, AHS Investments Holdings Pte. Ltd. ■ Director, TOC Holdings Pte. Ltd. ■ Director, The Orthopaedic Centre (International) Pte. Ltd. ■ Director, Asian Anaesthesia Care Pte. Ltd. ■ Adjunct Associate Professor at Duke-NUS Graduate Medical School	**Past (for the last 5 years)** None **Present** *Non-Listed Companies* ■ Partner, Rajah & Tann Singapore LLP ■ Member of Parliament for the Sembawang Group Representation Constituency
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YUE WAI MUN	VIKRAM NAIR
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YUE WAI MUN	VIKRAM NAIR
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YUE WAI MUN	VIKRAM NAIR
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

NOTICE OF ANNUAL GENERAL MEETING

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Incorporated in Singapore)
(Company Registration No. 201727543R)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Asian Healthcare Specialists Limited (the "**Company**") will be held at One Farrer Hotel, Napier Room, 1 Farrer Park Station Road, Singapore 217562 on Thursday, 23 January 2020 at 11.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2019 together with the Auditors' Report thereon.
(Resolution 1)

2. To declare a final Tax-Exempt (One-Tier) dividend of $0.009 per share for the financial year ended 30 September 2019 (2018: One-tier tax-exempt first and final dividend of $0.004 per share).
(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 110 of the Constitution of the Company:

Dr Yue Wai Mun **(Resolution 3)**
Mr Vikram Nair **(Resolution 4)**

Dr Yue Wai Mun will, upon re-election as a Director of the Company, remain as Executive Director of the Company and will be considered non-independent.

Mr Vikram Nair will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and members of the Audit and Risk Management and Nominating Committees and will be considered independent.

4. To approve the payment of $117,500 as Directors' fees for the financial year ending 30 September 2020, payable half-yearly in arrears (2019: $117,500).
(Resolution 5)

5. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 6)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares**

That authority be given to the Directors of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Catalist Rules and notwithstanding the provisions of the Constitution of the Company, to:

(a) (i) issue shares in the capital of the Company ("**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) options, warrants, debentures or other instruments convertible into Shares, and/or

(iii) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding 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 of the Company while this Resolution was in force, provided that:

(i) the aggregate number of Shares issued pursuant to this Resolution (including Shares issued in pursuance to any Instruments made or granted pursuant to this Resolution), does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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 shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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 issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

NOTICE OF
ANNUAL GENERAL MEETING

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

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Catalist Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 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 (i)] **(Resolution 7)**

8. **Authority to issue Shares under the AHS Performance Share Plan**

That pursuant to Section 161 of the Companies Act, the Directors be authorised and empowered to offer and grant options under the AHS Performance Share Plan (the "**Scheme**") and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional Shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, 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 (ii)] **(Resolution 8)**

By Order of the Board

Ngiam May Ling
Company Secretary

Date: 8 January 2020

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 7 above, if passed, is to empower the Directors to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of Shares to be issued pursuant to Resolution 7 (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), with a sub-limit of fifty per cent. (50%) for Shares issued other than on a pro rata basis (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 7) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of Resolution 7, after adjusting for (A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (B) any subsequent bonus issue or consolidation or subdivision of Shares.

(ii) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, not less than seventy-two (72) hours before the time appointed for holding the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ASIAN HEALTHCARE SPECIALISTS LIMITED
(Company Registration No. 201727543R)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at their request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We ____

of ____

being a member/members of Asian Healthcare Specialists Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at One Farrer Hotel, Napier Room, 1 Farrer Park Station Road, Singapore 217562 on 23 January 2020 at 11:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For(1)	Number of Votes Against(1)
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2019		
2	Payment of proposed final dividend		
3	Re-election of Dr Yue Wai Mun as a Director of the Company		
4	Re-election of Mr Vikram Nair as a Director of the Company		
5	Approval of payment of $117,500 as Directors' fees for the financial year ending 30 September 2020 to be paid half-yearly in arrears		
6	Re-appointment of KPMG LLP as Auditors of the Company		
7	Authority to issue new shares		
8	Authority to issue shares under the AHS Performance Share Plan		

(1) *If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of __________________ 2020

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), 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 Shares registered in your name in 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 a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 not less than 72 (seventy-two) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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 seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. 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, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 January 2020.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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ASIAN HEALTHCARE SPECIALISTS LIMITED
(Company Registration No. 201727543R)
(Incorporated in the Republic of Singapore on 27 September 2017)

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