



ASIAN HEALTHCARE SPECIALISTS LIMITED (Registration No. 201727543R)

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2019

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

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

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

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

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

Background

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

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

For the purpose of this announcement, the comparative results of the Group for the financial period ended 31 March 2018 (“**1H2018**”) have been prepared on the assumption that the Group’s structure following the completion of the Restructuring Exercise has been in place since the beginning of the earliest period presented.

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

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HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019 (“1H2019”)

The directors are pleased to announce the results for the financial period ended 31 March 2019. The comparative is for the financial period ended 31 March 2018. These figures have not been audited.

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

	1H2019 S\$'000	1H2018 S\$'000	increase/ (decrease) %
Revenue	5,943	5,647	5.2%
Other income	130	15	>100%
Items of expense			
Supplies and consumables used	(866)	(889)	(2.6%)
Purchased and contracted services	(56)	(64)	(12.5%)
Staff costs	(2,313)	(1,707)	35.5%
Depreciation of plant and equipment	(17)	(30)	(43.3%)
Other operating expenses	(1,233)	(1,270)	(2.9%)
Profit before tax	1,588	1,702	(7.5%)
Tax expense	(209)	(275)	(24.0%)
Profit for the financial period, representing total comprehensive income for the period, attributable to owners of the Company	1,379	1,427	(4.2%)
Earnings per share			
- Basic (cents)	0.44	0.49	(10.2%)
- Diluted (cents)	0.44	0.49	(10.2%)

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Profit before tax

Profit before tax is arrived at after including:

	1H2019 S\$'000	1H2018 S\$'000
Profit for the period is arrived at after including:		
Deemed interest expense on convertible bond	74	–
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	6	–
Contribution to defined contribution plan included in staff costs	117	85
Depreciation of property, plant and equipment	17	30
Expenses for IPO exercise	–	649
Expenses arising from acquisition of Asian Anaesthesia Care Pte. Ltd.	95	–
Government grants	(41)	(15)
Impairment loss:		
- Trade receivables	–	3
Interest income	(89)	–
Operating lease expenses	303	236

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

	The Group		The Company	
	31/03/2019	30/09/2018	31/03/2019	30/09/2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Plant and equipment	72	24	–	–
Subsidiaries	–	–	13,481	2,431
Goodwill	10,828	–	–	–
Total non-current assets	10,900	24	13,481	2,431
Current assets				
Trade and other receivables	2,427	1,601	4,043	3,296
Cash and cash equivalents	16,472	13,021	12,028	8,681
Total current assets	18,899	14,622	16,071	11,977
Total assets	29,799	14,646	29,552	14,408
EQUITY				
Share capital	22,765	12,715	22,765	12,715
Other reserves	(1,876)	(2,431)	555	–
Retained earnings	2,999	2,924	1,630	1,549
Total equity attributable to owners of the Company	23,888	13,208	24,950	14,264
LIABILITIES				
Non-current liabilities				
Deferred tax liability	11	11	–	–
Unsecured convertible bond	4,480	–	4,480	–
Total non-current liabilities	4,491	11	4,480	–
Current liabilities				
Trade and other payables	934	908	122	144
Current tax payable	486	519	–	–
Total current liabilities	1,420	1,427	122	144
Total liabilities	5,911	1,438	4,602	144
Total equity and liabilities	29,799	14,646	29,552	14,408

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

	31/03/2019	30/09/2018
	S\$'000	S\$'000
Unsecured borrowing – convertible bond		
Amount repayable within one year	–	–
Amount repayable after one year	5,000	–
Less: Unamortised portion of deemed interest expense and transaction costs capitalised	(520)	–
	<u>4,480</u>	<u>–</u>

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

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

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

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

	1H2019 S\$'000	1H2018 S\$'000
Cash flows from operating activities		
Profit before tax	1,588	1,702
Adjustments for:		
Deemed interest expense on convertible bond	74	–
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	6	–
Depreciation of plant and equipment	17	30
	<u>1,685</u>	<u>1,732</u>
Changes in:		
- trade and other receivables	(701)	(385)
- trade and other payables	(4)	(496)
	<u>980</u>	<u>851</u>
Cash generated from operations		
Tax paid	(242)	(66)
Net cash generated from operating activities	<u>738</u>	<u>785</u>
Cash flows from investing activities		
Purchase of plant and equipment	(46)	(7)
Payment for acquisition of subsidiary, net of cash acquired (Note A)	(892)	–
Net cash used in investing activities	<u>(938)</u>	<u>(7)</u>
Cash flows from financing activities		
Amounts due to related parties (non-trade)	–	(583)
Dividends paid to owners of the Company	(1,304)	–
Proceeds from issuance of convertible bond	5,000	–
Payment of transaction costs related to convertible bond issuance	(45)	–
Net cash generated from / (used in) financing activities	<u>3,651</u>	<u>(583)</u>
Net increase in cash and cash equivalents	3,451	195
Cash and cash equivalents at 1 October	<u>13,021</u>	<u>2,142</u>
Cash and cash equivalents at 31 March	<u>16,472</u>	<u>2,337</u>

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Note A: Payment for acquisition of subsidiary

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

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

The Acquisition was completed on 28 November 2018.

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

	S\$'000
Plant and equipment	19
Cash and cash equivalent	108
Trade and other receivables	125
Total liabilities	(30)
Total identifiable net assets acquired	222
Goodwill	10,828
Total consideration transferred	11,050
Less: Consideration Shares	(10,050)
Cash consideration paid	(1,000)
Add: Cash and cash equivalent acquired	108
Net outflow of cash	(892)

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

The Group

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 October 2017	2,431	(2,431)	1,852	1,852
Profit for the financial period	–	–	1,427	1,427
Total comprehensive income for the financial period	–	–	1,427	1,427
<i>Contributions by and distributions to owners</i>				
Dividends declared	–	–	(800)	(800)
Total transactions with owners	–	–	(800)	(800)
At 31 March 2018	2,431	(2,431)	2,479	2,479
At 1 October 2018	12,715	(2,431)	2,924	13,208
Profit for the financial period	–	–	1,379	1,379
Total comprehensive income for the financial period	–	–	1,379	1,379
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	10,050	–	–	10,050
Recognition of equity component of convertible bond	–	555	–	555
Dividends paid	–	–	(1,304)	(1,304)
Total transactions with owners	10,050	555	(1,304)	9,301
At 31 March 2019	22,765	(1,876)	2,999	23,888

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

The Company

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Issue of shares at date of incorporation, 27 September 2017	— ⁽¹⁾	—	—	— ⁽¹⁾
Profit for the financial period	—	—	895	895
Total comprehensive income for the financial period	— ⁽¹⁾	—	895	895
<i>Contributions by and distributions to owners</i>				
Acquisition of subsidiaries and issuance of consideration shares pursuant to Restructuring Exercise	2,431	—	—	2,431
Dividends declared	—	—	(800)	(800)
Total transactions with owners	2,431	—	(800)	1,631
At 31 March 2018	2,431	—	95	2,526
At 1 October 2018	12,715	—	1,549	14,264
Profit for the financial period	—	—	1,385	1,385
Total comprehensive income for the financial period	—	—	1,385	1,385
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	10,050	—	—	10,050
Recognition of equity component of convertible bond	—	555	—	555
Dividends paid	—	—	(1,304)	(1,304)
Total transactions with owners	10,050	555	(1,304)	9,301
At 31 March 2019	22,765	555	1,630	24,950

Note:

⁽¹⁾ Less than S\$1,000

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

Purpose	Number of new Shares issued	Resultant Issued and Paid Up Share Capital	
		No of Share(s)	(\$)
Issued and paid-up capital as at date of incorporation, 27 September 2017	1	1	1
Restructuring Exercise on 11 October 2017	2,430,999	2,431,000	2,431,000
Share Split on 22 March 2018	240,669,000	243,100,000	2,431,000
Issuance of new shares pursuant to IPO on 18 April 2018	46,900,000	290,000,000	13,218,000
Issuance of new shares pursuant to the acquisition of a subsidiary on 28 November 2018	35,892,857	325,892,857	23,268,000
Share capital as at 31 March 2019	-	325,892,857	23,268,000

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

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

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

There are no shares held as treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

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

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

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

There are no treasury shares held by the Company.

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

The Company has no subsidiary holdings as at 31 March 2019.

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

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

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

Not applicable.

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

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

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

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

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

	1H2019	1H2018	increase/ (decrease)
	cents	cents	%
Earnings per ordinary share:-			
(a) Based on the weighted average number of ordinary shares in issue; and	0.44	0.49	(10.2%)
(b) On a fully diluted basis	0.44	0.49	(10.2%)

Profit attributable to ordinary shareholders

	Group Number of shares	
	1H2019	1H2018
	'000	'000
Profit for the financial period	1,379	1,427
Earnings effect pursuant to the Convertible Bond	74	—
	<u>1,453</u>	<u>1,427</u>

Weighted-average number of ordinary shares

	Group Number of shares	
	1H2019	1H2018
	'000	'000
Issued ordinary shares on 1 October	290,000	290,000
Effect of shares issued on 28 November 2018	24,257	—
Weighted-average at 31 March	<u>314,257</u>	<u>290,000</u>
Effect of dilutive potential ordinary shares pursuant to the Convertible Bond	16,593	—
Weighted-average at 31 March on a fully diluted basis	<u>330,850</u>	<u>290,000</u>

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

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

The diluted earnings per share computations have not taken into consideration the effects of the Option Shares, carrying the right to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per share, as they are not “*in the money*”.

For the purpose of preparing this announcement, the Company’s post-placement number of ordinary shares of 290,000,000 has been used in the calculation of basic and diluted earnings per share for 1H2018. There were no potential dilutive ordinary shares for 1H2018 in issue.

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

	The Group			The Company		
	31/03/2019 cents	30/09/2018 Cents	increase/ (decrease) %	31/03/2019 cents	30/09/2018 cents	increase/ (decrease) %
Net asset value per ordinary share based on existing issued share capital (cents)	7.33	4.55	61.1%	7.66	4.92	55.7%

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

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

INCOME STATEMENT

Revenue

Revenue by segment

	Group Number of shares		
	1H2019	1H2018	Change
	'000	'000	%
Orthopaedic Service ⁽²⁾	5,469	5,647	(3.2)
Anaesthesia Service ⁽³⁾	474	–	100.0
	<u>5,943</u>	<u>5,647</u>	<u>5.2</u>

Note:

⁽²⁾ Orthopaedic Service includes revenue from the Group's physiotherapy practice.

⁽³⁾ Revenue from Anaesthesia Service was for the period from 28 November 2018 to 31 March 2019.

Revenue increased by S\$296,000 or 5.2%, mainly due to the acquisition of an anaesthesia arm on 28 November 2018, contributing S\$474,000 to the Group's revenue in 1H2019. The decrease in revenue from the Orthopaedic Services by S\$178,000 or 3.2% was mainly attributable to a decrease in the number of patient visits as compared to the corresponding period last year.

Other income

Other income comprised mainly government grants and interest income.

Other income increased by S\$115,000, from S\$15,000 in 1H2018 to S\$130,000 in 1H2019, out of which S\$89,000 was interest income earned and S\$41,000 was government grants.

Supplies and consumables used

Expenses arising from supplies and consumables used remained fairly stable, registering a decrease of S\$23,000 or 2.6% from S\$889,000 in 1H2018 to S\$866,000 in 1H2019.

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INCOME STATEMENT (CONTINUED)

Purchased and contracted services

Purchased and contracted services decreased by S\$8,000, or 12.5% from S\$64,000 in 1H2018 to S\$56,000 in 1H2019. The decrease in purchased and contracted services was in tandem to the decrease in revenue from the Orthopaedic Services.

Staff costs

Staff costs increased by S\$606,000, or 35.5%, from S\$1,707,000 in 1H2018 to S\$2,313,000 in 1H2019. The increase in staff costs was mainly attributable to the increase in number of staff hired. Staff hired as at 31 March 2018 was 18, and had since increased to 31 as at 31 March 2019, including independent directors.

Depreciation of plant and equipment

Depreciation of plant and equipment decreased by S\$13,000, or 43.3% from S\$30,000 in 1H2018 to S\$17,000 in 1H2019, due to the full depreciation of some plant and equipment.

Other operating expenses

Other operating expenses remained fairly stable, registering a decrease of S\$37,000, or 2.9%, from S\$1,270,000 in 1H2018 to S\$1,233,000 in 1H2019. Other operating expenses comprised mainly professional fees, rental expenses, insurance expenses, marketing expenses and deemed interest expenses on convertible bond.

Profit before tax

Profit before tax decreased by S\$114,000, or 6.7% from S\$1,702,000 in 1H2018 to S\$1,588,000 in 1H2019. The decrease was mainly due to the increase in staff costs.

Tax expense

Tax expense decreased by S\$66,000, or 24.0%, from S\$275,000 in 1H2018 to S\$209,000 in 1H2019, which was in tandem to the lower profit before tax.

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BALANCE SHEET

As at 31 March 2019

Non-current assets

Non-current assets increased by S\$10,876,000, from S\$24,000 as at 30 September 2018 to S\$10,900,000 as at 31 March 2019, mainly due to goodwill arising from the acquisition of a subsidiary. Non-current assets amounted to S\$10,900,000 or 36.6% of the Group's total assets. Non-current assets consist of goodwill of S\$10,828,000 arising from the acquisition of a subsidiary, and plant and equipment of S\$72,000, comprising furniture, fittings, and office equipment, renovations and computers.

Current assets

Current assets increased by S\$4,277,000 or 29.3%, from S\$14,622,000 as at 30 September 2018 to S\$18,899,000 as at 31 March 2019, due to **(i)** increase in trade and other receivables by S\$826,000 or 51.6%, mainly due to slower collection of trade receivables in 1H2019; and **(ii)** cash and cash equivalents by S\$3,451,000 or 26.5% (for more details, refer to page 6 of this announcement for the statement of cash flows).

Current assets amounted to S\$18,899,000 or 63.4% of the Group's total assets. Current assets consist of the trade and other receivables of S\$2,427,000 or 12.8% of the Group's total current assets, comprising mainly of trade receivables, deposits and other receivables; and cash and cash equivalents of S\$16,472,000 or 87.2% of the Group's total current assets.

Non-current liabilities

Non-current liabilities increased by S\$4,480,000, from S\$11,000 as at 30 September 2018 to S\$4,491,000 as at 31 March 2019, due to issuance of unsecured convertible bond. Non-current liabilities amounted to S\$4,491,000 or 76.0% of the Group's total liabilities, consisting mainly the unsecured convertible bond of S\$4,480,000 (for more details, refer to page 5 of this announcement).

Current liabilities

Current liabilities remained fairly stable at S\$1,420,000 as at 31 March 2019, as compared to S\$1,427,000 as at 30 September 2019. Current liabilities amounted to S\$1,420,000 or 24.0% of the Group's total liabilities. Current liabilities consist of trade and other payables of S\$934,000 or 65.8% of the Group's total current liabilities; and current tax payable of S\$486,000 or 34.2% of the Group's total current liabilities, comprising income tax payable.

Equity

As at 31 March 2019, equity of S\$23,888,000 comprised issued and fully paid share capital of S\$22,765,000 and retained earnings of S\$2,999,000, net of other reserves of S\$1,876,000.

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CASH FLOW STATEMENT

The Group's net cash generated from operating activities in 1H2019 of S\$738,000, mainly resulted from operating cash flows before changes in working capital of S\$1,685,000, offset by net working capital outflows of S\$705,000, and income tax paid of S\$242,000. The net working capital outflows were due to (i) increase in trade and other receivables of S\$701,000; and (ii) the decrease in trade and other payables of S\$4,000.

The Group's net cash used in investing activities in 1H2019 of S\$938,000 which was attributed to (i) purchase of plant and equipment of S\$46,000; and (ii) payment for acquisition of subsidiary, net of cash acquired of S\$892,000.

The Group's net cash generated from financing activities in 1H2019 of S\$3,651,000 was mainly due to S\$5,000,000 of proceeds from issuance of convertible bond, net of dividends paid of S\$1,304,000.

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

There was no forecast made.

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

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

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

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend:	Interim
Dividend Type:	Cash
Dividend Amount per Share:	0.2 Singapore cent per ordinary share
Tax Rate:	Tax-exempt (one-tier)

Note:

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

The Interim Dividend of 0.2 Singapore cents per ordinary share for the corresponding period of the immediately preceding financial year, financial period ended 31 March 2018, is not related to the Pre-Listing Interim Dividend.

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(c) Date payable

The interim dividend will be paid on or about 28 May 2019.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 21 May 2019 at 5.00 p.m. for the preparation of dividend payment.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 21 May 2019 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 21 May 2019 will be entitled to the interim dividend.

The interim dividend will be paid on or about 28 May 2019.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

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

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

14. Use of IPO proceeds

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

Use of proceeds	Allocation of Net Proceeds (as disclosed in the Offer Document) S\$'000	Net Proceeds utilised as at the date of this announcement S\$'000	Balance of Net Proceeds as at the date of this announcement S\$'000
Business expansion (including organic expansion and mergers and acquisitions)	8,500	(1,095) ⁽⁵⁾	7,405
Working capital	1,017	(1,017)	— ⁽⁴⁾
Total	9,517	(2,112)	7,405

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Note:

⁽⁴⁾ The Group had fully utilized the net proceeds allocated to working capital for staff costs.

⁽⁵⁾ Pursuant to the SPA entered into on 26 October 2018 for the acquisition of AAC, S\$1 million cash consideration was paid on 28 November 2018. Further S\$95,000 share issuance expenses was paid, for professional fees, stamp duty and processing fees.

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

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

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

16. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the half-year ended 31 March 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHIN PAK LIN

Executive Chairman and CEO

9 May 2019