ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 ("1H2021")

The directors are pleased to announce the results for 1H2021. The comparative is for the financial period ended 31 March 2020 ("1H2020"). 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.

	1H2021 S$'000	1H2020 S$'000	increase/ (decrease) %
Revenue	13,349	6,688	99.6%
Other income	348	348	–
Items of expense			
Supplies and consumables used	(1,853)	(925)	100.3%
Purchased and contracted services	(297)	(66)	350.0%
Staff costs	(5,117)	(3,194)	60.2%
Depreciation	(573)	(338)	69.5%
Other operating expenses	(1,353)	(994)	36.1%
Finance cost	(82)	(129)	(36.4%)
Share of results of associate	(307)	–	N.M.
Profit before tax	4,115	1,390	196.0%
Tax expense	(635)	(123)	416.3%
Profit for the period	3,480	1,267	174.7%
Profit attributable to:			
Owners of the Company	2,028	1,020	98.8%
Non-controlling interests	1,452	247	487.9%
Profit for the period	3,480	1,267	174.7%

N.M. – not meaningful

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Consolidated statement of comprehensive income

Profit for the period	3,480	1,267	174.7%
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Share of foreign currency translation differences of associate	(99)	–	N.M.
Other comprehensive income for the period, net of tax	(99)	–	N.M.
Total comprehensive income for the period	3,381	1,267	166.9%
Total comprehensive income attributable to:			
Owners of the Company	1,929	1,020	89.1%
Non-controlling interests	1,452	247	487.9%
Total comprehensive income for the period	3,381	1,267	166.9%

N.M. – not meaningful

Profit before tax

Profit before tax is arrived at after including the following items:

	1H2021 S$'000	1H2020 S$'000
Other income include		
Government grants and other reliefs	(331)	(273)
Interest income	–*	(73)
Staff costs include		
Contribution to defined contribution plan included in staff costs	301	162
Staff costs related to issuance of new shares pursuant to performance share plan	–	175
Depreciation include		
Depreciation of plant and equipment	92	35
Depreciation of right-of-use assets	481	303
Other operating expenses include		
Expenses for corporate exercise	–	191
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	–	7
Impairment loss:		
- Trade receivables	16	3
Finance costs include		
Interest expense on the convertible bond	–	92
Interest expense on the lease liabilities	33	37
Interest expense on bank loan	49	–

* - Amount less than S$1,000

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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	
	31/03/2021 S$'000	30/09/2020 S$'000	31/03/2021 S$'000	30/09/2020 S$'000
ASSETS				
Non-current assets				
Plant and equipment	642	608	25	147
Right-of-use assets	1,686	1,542	79	107
Goodwill	35,100	35,100	–	–
Subsidiaries	–	–	37,972	37,972
Associate	7,641	8,048	–	–
Deferred tax assets	19	6	–	–
Total non-current assets	45,088	45,304	38,076	38,226
Current assets				
Contract assets	311	172	–	–
Trade and other receivables	3,811	3,217	13,877	11,820
Cash and cash equivalents	10,839	9,928	3,101	3,577
Inventories	220	175	–	–
Total current assets	15,181	13,492	16,978	15,397
Total assets	60,269	58,796	55,054	53,623
EQUITY				
Share capital	46,431	46,431	46,431	46,431
Reserves	(2,183)	(2,084)	357	357
Retained earnings	4,180	2,836	2,898	1,309
Total equity attributable to owners of the Company	48,428	47,183	49,686	48,097
Non-controlling interests	857	711	–	–
Total equity	49,285	47,894	49,686	48,097
LIABILITIES				
Non-current liabilities				
Lease liabilities	984	824	25	54
Loans and borrowings	4,295	4,900	4,295	4,900
Deferred tax liabilities	32	35	–	–
Total non-current liabilities	5,311	5,759	4,320	4,954
Current liabilities				
Trade and other payables	2,954	2,964	277	399
Current tax payable	1,232	1,300	9	17
Contract liabilities	43	43	–	–
Lease liabilities	739	736	57	56
Loans and borrowings	705	100	705	100
Total current liabilities	5,673	5,143	1,048	572
Total liabilities	10,984	10,902	5,368	5,526
Total equity and liabilities	60,269	58,796	55,054	53,623

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.

Loans and borrowings

	31/03/2021 S$'000	30/09/2020 S$'000
Amount repayable in one (1) year or less		
- Unsecured bank loan	705	100
Amount repayable after one (1) year		
- Unsecured bank loan	4,295	4,900
	5,000	5,000

The unsecured bank loan of the Group is guaranteed by corporate guarantees from The Orthopaedic Centre (Farrer) Pte. Ltd., The Orthopaedic Centre (Gleneagles) Pte. Ltd. and The Orthopaedic Centre (Novena) Pte. Ltd. The tenor of the bank loan is 5 years at 2.00% per annum on monthly rests.

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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.

	1H2021 S$'000	1H2020 S$'000
Cash flows from operating activities		
Profit before tax	4,115	1,390
Adjustments for:		
Finance cost	82	129
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	–	7
Depreciation of plant and equipment	92	35
Depreciation of right-of-use assets	481	303
Issuance of new shares pursuant to performance share plan	–	175
Share of results of associate	307	–
Interest income	–*	(73)
	5,077	1,966
Changes in:		
- trade and other receivables	(594)	40
- trade and other payables	(355)	(117)
- contract assets	(139)	114
- contract liabilities	–*	(79)
- Inventories	(45)	(3)
Cash generated from operations	3,944	1,921
Interest received	–*	78
Tax paid	(718)	(388)
Net cash generated from operating activities	3,226	1,611
Cash flows from investing activities		
Purchase of plant and equipment	(126)	(18)
Payment for acquisition of subsidiary, net of cash acquired	–	(4,092)
Net cash used in investing activities	(126)	(4,110)
Cash flows from financing activities		
Payment of lease liabilities	(462)	(299)
Dividends paid to owners of the Company	(684)	(2,933)
Dividends paid to non-controlling interests	(961)	–
Interest paid	(82)	(37)
Net cash used in financing activities	(2,189)	(3,269)
Net increase / (decrease) in cash and cash equivalents	911	(5,768)
Cash and cash equivalents at 1 October	9,928	17,023
Cash and cash equivalents at 31 March	10,839	11,255

* - Amount less than S$1,000

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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.

	Attributable to owners of the Company						
Group	**Share capital S$'000**	**Translation reserve S$'000**	**Other reserves S$'000**	**Retained earnings S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
At 1 October 2019	22,047	–	(1,876)	3,184	23,355	–	23,355
Profit for the period	–	–	–	1,020	1,020	247	1,267
Total comprehensive income for the period	–	–	–	1,020	1,020	247	1,267
Contributions by and distributions to owners							
Issuance of new shares pursuant to the acquisition of a subsidiary	20,209	–	–	–	20,209	–	20,209
Issuance of new shares pursuant to the performance share plan	175	–	–	–	175	–	175
Dividends declared	–	–	–	(2,933)	(2,933)	–	(2,933)
Total transactions with owners	20,384	–	–	(2,933)	17,451	–	17,451
At 31 March 2020	42,431	–	(1,876)	1,271	41,826	247	42,073
At 1 October 2020	46,431	(10)	(2,074)	2,836	47,183	711	47,894
Profit for the period	–	–	–	2,028	2,028	1,452	3,480
Other comprehensive income							
Share of foreign currency translation differences of associate	–	(99)	–	–	(99)	–	(99)
Total other comprehensive income	–	(99)	–	–	(99)	–	(99)
Total comprehensive income for the period	–	(99)	–	2,028	1,929	1,452	3,381
Contributions by and distributions to owners							
Dividends declared	–	–	–	(684)	(684)	(1,306)	(1,990)
Total transactions with owners	–	–	–	(684)	(684)	(1,306)	(1,990)
At 31 March 2021	46,431	(109)	(2,074)	4,180	48,428	857	49,285

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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)

Company	Share capital S$'000	Other reserves S$'000	Retained earnings S$'000	Total equity S$'000
At 1 October 2019	22,047	555	2,996	25,598
Profit for the period	–	–	2	2
Total comprehensive income for the period	–	–	2	2
Contributions by and distributions to owners				
Issuance of new shares pursuant to the acquisition of a subsidiary	20,209	–	–	20,209
Issuance of new shares pursuant to the performance share plan	175	–	–	175
Dividends declared	–	–	(2,933)	(2,933)
Total transactions with owners	20,384	–	(2,933)	17,451
At 31 March 2020	42,431	555	65	43,051
At 1 October 2020	46,431	357	1,309	48,097
Profit for the period	–	–	2,273	2,273
Total comprehensive income for the period	–	–	2,273	2,273
Contributions by and distributions to owners				
Dividends declared	–	–	(684)	(684)
Total transactions with owners	–	–	(684)	(684)
At 31 March 2021	46,431	357	2,898	49,686

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

	Number of new Shares issued	Resultant Issued and Paid Up Share Capital	
		No of Share(s)	(S$)
Share capital as at 1 October 2019		**325,892,857**	**23,268,000**
Issuance of new shares pursuant to the acquisition of a subsidiary on 19 February 2020	104,171,380	430,064,237	50,352,559
Issuance of new shares pursuant to the performance share plan on 19 February 2020	900,000	430,964,237	50,352,559
Issuance of new shares pursuant to conversion of convertible bonds on 3 September 2020	24,968,788	455,933,025	54,352,559
Share capital as at 30 September 2020 and 31 March 2021		**455,933,025**	**54,352,559**

On 19 February 2020, the Company acquired 51.0% issued and paid up shares in the share capital of Cornerstone Asia Health Pte. Ltd. ("**CAH**"). Pursuant to the Completion of the acquisition, the Company issued and allotted 104,171,380 Consideration Shares. Please refer to the Company's announcements dated 5 July 2019, 2 October 2019, 4 December 2019, 23 December 2019 and 19 February 2020 in relation to this acquisition.

On 19 February 2020, the Company granted share awards to certain employees of the Group pursuant to the AHS Performance Share Plan. Pursuant to the grant, 900,000 new ordinary shares were issued and allotted in the capital of the Company to the eligible employees.

On 3 September 2020, the investors had converted S$4,000,000 convertible bonds into 24,968,788 Conversion Shares. Please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

Unless otherwise defined, capitalised term used herein shall bear the same meanings ascribed to them in the Company's announcements dated 9 April 2021, 15 April 2021, 19 April 2021 and 26 April 2021 ("**Previous Announcements**").

After 31 March 2021, on 26 April 2021, pursuant to the Subscription Agreement, the Company issued and allotted 17,700,000 new ordinary shares to Subscribers at an issue price of S$0.17 for each Subscription Share, amounting to an aggregated gross consideration of S$3,009,000. As at the date of this announcement, the Company has issued and paid-up capital of S$57,361,558.84 and total issued shares of 473,633,025 shares. Please refer to the Previous Announcements for further details.

There are no shares held as treasury shares and subsidiary holdings as at 31 March 2021 and 31 March 2020.

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.

There are no subsidiary holdings as at 31 March 2021.

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 modifications or emphasis of a matter).

Not applicable.

3(A) If the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, to include:
(a) Updates on the efforts taken to resolve each outstanding audit issue
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
Note: (a) and (b) is not required for any audit issue that is a material uncertainty relating to going concern.

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 2020.

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

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 October 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards and interpretations does not have a material effect 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.

Profit attributable to ordinary shareholders

	1H2021 S$'000	1H2020 S$'000
Profit for the financial period	2,028	1,020

Weighted-average number of ordinary shares	Number of shares	
	1H2021 '000	1H2020 '000
Issued ordinary shares as at 1 October	455,933	325,893
Effect of shares issued on 19 February 2020	–	23,540
Weighted-average as at 31 March	455,933	349,433

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. (continued)

Earnings per ordinary share:-	1H2021 cents	1H2020 cents	increase/ (decrease) %
(a) Based on the weighted average number of ordinary shares in issue; and	0.44	0.29	51.7%
(b) On a fully diluted basis	0.44	0.29	51.7%

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. There were no dilutive potential ordinary shares being adjusted for the relevant financial periods.

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		
	31/03/2021 cents	30/09/2020 cents	increase/ (decrease) %	31/03/2021 cents	30/09/2020 cents	increase/ (decrease) %
Net asset value per ordinary share based on existing issued share capital (cents)	10.62	10.35	2.6%	10.90	10.55	3.3%

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.

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 increased by S$6,661,000 or 99.6%, from S$6,688,000 in 1H2020 to S$13,349,000 in 1H2021. The increase was mainly due to the consolidation of the results of Cornerstone Asia Health Pte. Ltd. ("**CAH**"), pursuant to the Company's acquisition of 51.0% of CAH. In 1H2021, CAH contributed S$6,871,000 (1H2020: S$1,197,000) to the Group's revenue.

Other income

Other income in 1H2021 was S$348,000, comprising mainly government grants and other reliefs of S$331,000, while other income in 1H2020 was S$348,000, comprising mainly government grants and other reliefs of S$273,000 and interest income of S$73,000.

Supplies and consumables used

Expenses arising from supplies and consumables used increased by S$928,000 or 100.3%, from S$925,000 in 1H2020 to S$1,853,000 in 1H2021. The increase in purchased and contracted services was in tandem to the increase in revenue.

Purchased and contracted services

Purchased and contracted services increased by S$231,000, from S$66,000 in 1H2020 to S$297,000 in 1H2021. The increase mainly arose from CAH's medical practices, comprising of dermatology, family medicine, gastroenterology, ophthalmology and urology services, which required relatively more laboratory tests. For 1H2021, purchased and contracted services arising from CAH's medical practices was S$283,000 (1H2020: S$35,000).

Staff costs

Staff costs increased by S$1,923,000, or 60.2%, from S$3,194,000 in 1H2020 to S$5,117,000 in 1H2021. The increase in staff costs was mainly attributable to the increase in headcounts from the acquisition of CAH.

INCOME STATEMENT (CONTINUED)

Depreciation

Depreciation increased by S$235,000 or 69.5%, from S$338,000 in 1H2020 to S$573,000 in 1H2021. The increase was due to the Group operating more medical clinics as a result of the acquisition of CAH, resulting in an increase in depreciation of plant and equipment by S$57,000 and an increase in depreciation of right-of-use assets by S$178,000.

Other operating expenses

Other operating expenses increased by S$359,000 or 36.1%, from S$994,000 in 1H2020 to S$1,353,000 in 1H2021. The increase in other operating expenses was in tandem to the increase in revenue.

Finance cost

Finance cost decreased by S$47,000 or 36.4%, from S$129,000 in 1H2020 to S$82,000 in 1H2021. The decrease in finance cost was mainly due to **(i)** the investors had converted S$4.0 million in aggregate principal amount of convertible bonds into fully-paid ordinary shares in the capital of the Company on 3 September 2020; and **(ii)** the Company had redeemed S$4.0 million in aggregate principal amount of a convertible bond on 22 September 2020; and offset by **(iii)** interest expense on bank loan.

Share of results of associate

The Group recorded S$307,000 share of loss of associate, which was pertaining to losses incurred by an associate company, Fansipan 2 Holdings Pte. Ltd. ("**Fansipan 2**"). The Group holds approximately 23.8% of the total number of shares in Fansipan 2, and Fansipan 2 had an interest of approximately 99.9% of a medical group comprising two private hospitals located in Central Vietnam. The losses incurred by Fansipan 2 were primarily due to the reoccurrence of COVID-19 in the Quang Nam region as well as severe tropical storms in the fourth quarter of 2020. Increased costs were also incurred to corporatise the business and enhance the management team.

Profit before tax

The Group recorded an increase of profit before tax of S$2,725,000, from S$1,390,000 in 1H2020 to S$4,115,000 in 1H2021. The increase was in tandem to the increase in revenue. As mentioned above, as the Company acquired 51.0% of CAH, the profit before tax reported includes non-controlling interests share of profit in a subsidiary of the Company.

Tax expense

Income tax expense increased by S$512,000, from S$123,000 in 1H2020 to S$635,000 in 1H2021. The increase was in tandem with the increase in profit before tax and the effect of corporate income tax rebates in 1H2020.

BALANCE SHEET

As at 31 March 2021

Non-current assets

Non-current assets decreased by S$216,000 or 0.5%, from S$45,304,000 as at 30 September 2020 to S$45,088,000 as at 31 March 2021.

Non-current assets amounted to S$45,088,000 or 74.8% of the Group's total assets. Non-current assets mainly consist of **(i)** goodwill of S$35,100,000 or 77.8% of the Group's non-current assets, arising from the acquisition of subsidiaries; **(ii)** investment in associate of S$7,641,000 or 16.9% of the Group's non-current assets; **(iii)** plant and equipment of S$642,000 or 1.4% of the Group's non-current assets, comprising furniture, fittings, and office equipment, medical equipment, renovations and computers; and **(iv)** right-of-use assets of S$1,686,000 or 3.7% of the Group's non-current assets, pertaining to leases of clinic premises and corporate office.

Current assets

Current assets increased by S$1,689,000 or 12.5%, from S$13,492,000 as at 30 September 2020 to S$15,181,000 as at 31 March 2021, mainly due to **(i)** increase in cash and cash equivalents by S$911,000 or 9.2% (for more details, refer to page 6 of this announcement for the statement of cash flows); and **(ii)** increase in trade and other receivables by S$594,000 or 18.5%, which was in tandem to the increase in revenue.

Current assets amounted to S$15,181,000 or 25.2% of the Group's total assets. Current assets mainly consist of **(i)** trade and other receivables of S$3,811,000 or 25.1% of the Group's total current assets, comprising mainly trade receivables, deposits and other receivables; and **(ii)** cash and cash equivalents of S$10,839,000 or 71.4% of the Group's total current assets.

Non-current liabilities

Non-current liabilities decreased by S$448,000 or 7.8%, from S$5,759,000 as at 30 September 2020 to S$5,311,000 as at 31 March 2021, mainly due to **(i)** portion of the non-current bank loan as at 30 September 2020 turned current; offset by **(ii)** increase in non-current lease liabilities.

Non-current liabilities amounted to S$5,311,000 or 48.4% of the Group's total liabilities, consisting of mainly **(i)** non-current bank loan of S$4,295,000 or 80.9% of the Group's non-current liabilities; and **(ii)** lease liabilities of S$984,000 or 18.5% of the Group's non-current liabilities.

Current liabilities

Current liabilities increased by S$530,000 or 10.3%, from S$5,143,000 as at 30 September 2020 to S$5,673,000 as at 31 March 2021, mainly due to portion of the non-current bank loan as at 30 September 2020 turned current.

BALANCE SHEET (CONTINUED)

Current liabilities amounted to S$5,673,000 or 51.6% of the Group's total liabilities. Current liabilities mainly consist of **(i)** trade and other payables of S$2,954,000 or 52.1% of the Group's total current liabilities; **(ii)** current tax payable of S$1,232,000 or 21.7% of the Group's total current liabilities, comprising income tax payable; **(iii)** lease liabilities of S$739,000 or 13.0% of the Group's total current liabilities; and **(iv)** current bank loan of S$705,000 or 12.4% of the Group's total current liabilities.

Equity

As at 31 March 2021, equity attributable to owners of the Company of S$48,428,000 comprised issued and fully paid share capital of S$46,431,000 and retained earnings of S$4,180,000, net of reserves of S$2,183,000.

CASH FLOW STATEMENT

Operating activities

Net cash generated from operating activities in 1H2021 of S$3,226,000, mainly resulted from operating cash flows before changes in working capital of S$5,077,000, offset by net working capital outflows of S$1,133,000, and income tax paid of S$718,000.

The net working capital outflows were due to **(i)** increase in trade and other receivables of S$594,000; **(ii)** increase in contract assets of S$139,000; **(iii)** increase inventories of S$45,000; and **(iv)** decrease in trade and other payables of S$355,000.

Investing activities

Net cash used in investing activities in 1H2021 of S$126,000, which was attributed to purchase of plant and equipment.

Financing activities

Net cash used in financing activities in 1H2021 of S$2,189,000 were due to **(i)** dividend paid to owners of the Company of S$684,000; **(ii)** dividend paid to non-controlling interests of S$961,000; **(iii)** payment of lease liabilities including interests on lease liabilities of S$495,000; and **(iv)** interest paid for bank loan of S$49,000.

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.

The COVID-19 pandemic has presented unprecedented challenges to the global healthcare sector's workforce, infrastructure and supply chain. Past trends of medical tourism have significantly dropped due to the travel restrictions implemented by Singapore and various countries within the ASEAN region, outpatients from these countries face challenges to enter Singapore for their regular, follow-up treatments. The Ministry of Health (Singapore) ("MOH") also issued a circular on 19 March 2020 to inform hospitals and private specialist clinics not to accept any new foreign patients who do not reside in Singapore unless it is an emergency. To overcome the travel barriers, the use of telemedicine increased but it was not enough to compensate for the drop in in-person care.

Although social distancing and hospital capacity concerns were key drivers of the drop in health spending, the use of private health services may have also been suppressed due to affordability concerns amid the struggling economy. The codes of healthy practices for living and working conditions, changes for scheduling of work and social activities, higher hygiene standards and use of personal protective equipment like masks, gowns and gloves; and rising staff costs will result in increasing operational costs.

Based on a preliminary review and barring any unforeseen circumstances, the Board of Directors (the "**Board**") expects the Group to remain profitable at the operational level in the next reporting period and the next 12 months. Against the backdrop of the pandemic, COVID-19 is likely to continue to cast uncertainty over the Group's business, which could be adversely affected should the situation deteriorates. The Group will continue to monitor the situation and keep shareholders informed of any material developments as and when they arise.

CAUTION IN TRADING

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accounts or other professional advisors if they are in doubt about the actions that they should take.

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:	S$0.0042 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?

No.

(c) Date payable

The interim dividend will be paid on or about 1 June 2021.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 24 May 2021 at 5.00 pm for the preparation of dividend warrants to the interim dividend of S$0.0042 per share (one-tier tax exempt) in respect of the financial period ended 31 March 2021 (the "**Interim Dividend**").

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 pm on 24 May 2021 will be registered to determine shareholders' entitlements to the Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 24 May 2021 will be entitled to the Interim Dividend.

Payment of the Interim Dividend will be made on 1 June 2021.

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**").

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 period under review including transactions less than S$100,000**
	S$'000
Transaction less than S$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.	48
Retina Services International Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #12-01, Connexion, Singapore 217562 by RSI Medical Pte. Ltd. from Retina Services International Pte. Ltd.	22

In addition to the IPTs as disclosed above, the Group's related employees are as follows:

Name of Related Employees	**Aggregate amount of employment salary during the financial period under review**
	S$'000
Ms Lau Hui Ming Winnie Ms Lau Hui Ming Winnie is one of the Group's clinic managers and also the wife of a substantial shareholder and Executive Director of the Company, Dr Bobby Cheng.	24
Ms Chong Mei Ling Carol Ms Chong Mei Ling Carol is one of the Group's clinic managers and also the wife of a substantial shareholder of the Company, Dr Ho Siew Hong.	57

14. Use of proceeds

Unless otherwise defined, capitalised term used herein shall bear the same meanings ascribed to them in the Previous Announcements.

Pursuant to the Subscription Agreement with the Subscribers, the Company had received an aggregated gross consideration of S$3.0 million and the Subscription Shares were allotted and issued to the Subscribers on 26 April 2021. The Company has yet to utilise any of this amount as at the date of this announcement.

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 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHIN PAK LIN
Executive Director and CEO
14 May 2021

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*This announcement 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 announcement.*

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

The contact person for the Sponsor is Mr Mah How Soon - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com