



ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

Condensed Interim Financial Statements
For the six months and full year ended 30 September 2021

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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A. Condensed interim consolidated statement of profit or loss

	Note	6 months ended 30 September			12 months ended 30 September		
		2021 \$'000	2020 \$'000	increase/ (decrease) %	2021 \$'000	2020 \$'000	increase/ (decrease) %
Revenue	4	14,214	10,246	38.7	27,563	16,934	62.8
Other income		300	703	(57.3)	648	1,051	(38.3)
Items of expense							
Supplies and consumables used		(1,809)	(1,328)	36.2	(3,662)	(2,253)	62.5
Purchased and contracted services		(370)	(210)	76.2	(667)	(276)	141.7
Staff costs	5	(6,049)	(4,298)	40.7	(11,166)	(7,492)	49.0
Depreciation		(579)	(545)	6.2	(1,152)	(883)	30.5
Other operating expenses		(1,675)	(1,210)	38.4	(3,012)	(2,201)	36.8
Impairment loss on trade receivables		(7)	(39)	(82.1)	(23)	(42)	(45.2)
Finance costs		(89)	(166)	(46.4)	(171)	(295)	(42.0)
Share of (loss)/profit of associate		(52)	22	N.M.	(359)	22	N.M.
Profit before tax	5	3,884	3,175	22.3	7,999	4,565	75.2
Tax expense	7	(585)	(429)	36.4	(1,220)	(552)	121.0
Profit for the period/year		3,299	2,746	20.1	6,779	4,013	68.9
Profit attributable to:							
Owners of the Company		2,448	1,565	56.4	4,476	2,585	73.2
Non-controlling interests		851	1,181	(27.9)	2,303	1,428	61.3
Profit for the period/year		3,299	2,746	20.1	6,779	4,013	68.9
Earnings per share							
Basic and diluted (cents)	9	0.49	0.36	36.1	0.94	0.66	42.4

N.M. denotes not meaningful.

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B. Condensed interim consolidated statement of comprehensive income

	6 months ended 30 September			12 months ended 30 September		
	2021 \$'000	2020 \$'000	increase/ (decrease) %	2021 \$'000	2020 \$'000	increase/ (decrease) %
Profit for the period/year	3,299	2,746	20.1	6,779	4,013	68.9
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Share of foreign currency translation differences of associate	141	(10)	N.M.	42	(10)	N.M.
Other comprehensive income for the period/year, net of tax	141	(10)	N.M.	42	(10)	N.M.
Total comprehensive income for the period/year	3,440	2,736	25.7	6,821	4,003	70.4
Total comprehensive income attributable to:						
Owners of the Company	2,589	1,555	66.5	4,518	2,575	75.5
Non-controlling interests	851	1,181	(27.9)	2,303	1,428	61.3
Total comprehensive income for the period/year	3,440	2,736	25.7	6,821	4,003	70.4

N.M. denotes not meaningful.

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C. Condensed interim statements of financial position

		Group		Company	
		30 September	30 September	30 September	30 September
	Note	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Plant and equipment		579	608	18	147
Right-of-use assets		1,903	1,542	51	107
Goodwill	12	35,100	35,100	–	–
Subsidiaries	13	–	–	61,051	37,972
Associate		7,731	8,048	–	–
Deferred tax assets		11	6	–	–
Total non-current assets		45,324	45,304	61,120	38,226
Current assets					
Contract assets		221	172	–	–
Trade and other receivables		3,477	3,217	5,872	11,820
Cash and cash equivalents		12,524	9,928	3,523	3,577
Inventories		185	175	–	–
Total current assets		16,407	13,492	9,395	15,397
Total assets		61,731	58,796	70,515	53,623
EQUITY					
Share capital	14	61,918	46,431	61,918	46,431
Reserves		(15,902)	(2,084)	357	357
Retained earnings		4,639	2,836	2,901	1,309
Total equity attributable to owners of the Company		50,655	47,183	65,176	48,097
Non-controlling interests		–	711	–	–
Total equity		50,655	47,894	65,176	48,097
LIABILITIES					
Non-current liabilities					
Lease liabilities		1,185	824	–	54
Loans and borrowings	15	3,685	4,900	3,685	4,900
Deferred tax liabilities		30	35	–	–
Total non-current liabilities		4,900	5,759	3,685	4,954
Current liabilities					
Trade and other payables		2,878	2,964	385	399
Current tax payable		1,279	1,300	–	17
Contract liabilities		62	43	–	–
Lease liabilities		742	736	54	56
Loans and borrowings	15	1,215	100	1,215	100
Total current liabilities		6,176	5,143	1,654	572
Total liabilities		11,076	10,902	5,339	5,526
Total equity and liabilities		61,731	58,796	70,515	53,623

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D. Condensed interim statements of changes in equity

Group	Note	Attributable to owners of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000			
At 1 October 2020		46,431	(2,074)	(10)	2,836	47,183	711	47,894
Profit for the year		–	–	–	4,476	4,476	2,303	6,779
Other comprehensive income								
Share of foreign currency translation differences of associate		–	–	42	–	42	–	42
Total other comprehensive income		–	–	42	–	42	–	42
Total comprehensive income for the year		–	–	42	4,476	4,518	2,303	6,821
<i>Contributions by and distributions to owners</i>								
Issuance of new shares pursuant to the acquisition of non-controlling interests	14	12,478	–	–	–	12,478	–	12,478
Issuance of new shares	14	3,009	–	–	–	3,009	–	3,009
Dividend declared	8	–	–	–	(2,673)	(2,673)	(1,896)	(4,569)
Total contributions by and distributions to owners		15,487	–	–	(2,673)	12,814	(1,896)	10,918
Changes in ownership interest in subsidiary								
Acquisition of non-controlling interests without a change in control		–	(13,860)	–	–	(13,860)	(1,118)	(14,978)
Total changes in ownership interests in subsidiary		–	(13,860)	–	–	(13,860)	(1,118)	(14,978)
Total transactions with owners		15,487	(13,860)	–	(2,673)	(1,046)	(3,014)	(4,060)
At 30 September 2021		61,918	(15,934)	32	4,639	50,655	–	50,655

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D. Condensed interim statements of changes in equity (cont'd)

Group	Note	Attributable to owners of the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000			
At 1 October 2019		22,047	(1,876)	–	3,184	23,355	–	23,355
Profit for the year		–	–	–	2,585	2,585	1,428	4,013
Other comprehensive income								
Share of foreign currency translation differences of associate		–	–	(10)	–	(10)	–	(10)
Total other comprehensive income		–	–	(10)	–	(10)	–	(10)
Total comprehensive income for the year		–	–	(10)	2,585	2,575	1,428	4,003
<i>Contributions by and distributions to owners</i>								
Issuance of new shares pursuant to the acquisition of a subsidiary	14	20,209	–	–	–	20,209	–	20,209
Issuance of new shares pursuant to the performance share plan	14	175	–	–	–	175	–	175
Issuance of new shares pursuant to the conversion of convertible bonds	14	4,000	–	–	–	4,000	–	4,000
Conversion and redemption of convertible bonds		–	(198)	–	–	(198)	–	(198)
Dividend declared	8	–	–	–	(2,933)	(2,933)	(961)	(3,894)
Total contributions by and distributions to owners		24,384	(198)	–	(2,933)	21,253	(961)	20,292
Changes in ownership interest in subsidiary								
Acquisition of subsidiary with non-controlling interests		–	–	–	–	–	244	244
Total changes in ownership interests in subsidiary		–	–	–	–	–	244	244
Total transactions with owners		24,384	(198)	–	(2,933)	21,253	(717)	20,536
At 30 September 2020		46,431	(2,074)	(10)	2,836	47,183	711	47,894

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D. Condensed interim statements of changes in equity (cont'd)

Company	Note	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
At 1 October 2020		46,431	357	1,309	48,097
Profit for the year		–	–	4,265	4,265
Total comprehensive income for the year		–	–	4,265	4,265
<i>Contributions by and distributions to owners</i>					
Issuance of new shares pursuant to the acquisition of non-controlling interests	14	12,478	–	–	12,478
Issuance of new shares	14	3,009	–	–	3,009
Dividends paid	8	–	–	(2,673)	(2,673)
Total contributions by and distributions to owners		15,487	–	(2,673)	12,814
At 30 September 2021		61,918	357	2,901	65,176
At 1 October 2019		22,047	555	2,996	25,598
Profit for the year		–	–	1,246	1,246
Total comprehensive income for the year		–	–	1,246	1,246
<i>Contributions by and distributions to owners</i>					
Issuance of new shares pursuant to the acquisition of a subsidiary	14	20,209	–	–	20,209
Issuance of new shares pursuant to the performance share plan	14	175	–	–	175
Issuance of new shares pursuant to conversion of convertible bonds	14	4,000	–	–	4,000
Conversion and redemption of convertible bonds		–	(198)	–	(198)
Dividends paid	8	–	–	(2,933)	(2,933)
Total contributions by and distributions to owners		24,384	(198)	(2,933)	21,253
At 30 September 2020		46,431	357	1,309	48,097

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E. Condensed interim consolidated statement of cash flows

	The Group	
	12 months ended	
	31 September	
	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	7,999	4,565
Adjustments for:		
Finance costs	171	295
Gain on termination of leases	(29)	(1)
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	–	13
Depreciation of plant and equipment	187	115
Depreciation of right-of-use assets	965	768
Plant and equipment written off	3	–
Issuance of new shares pursuant to performance share plan	–	175
Share of loss/(profit) of associate	359	(22)
Interest income	–	(79)
	9,655	5,829
Changes in:		
- trade and other receivables	(260)	179
- trade and other payables	556	(182)
- contract assets	(49)	100
- contract liabilities	19	(75)
- inventories	(10)	14
Cash generated from operations	9,911	5,865
Interest received	–	84
Tax paid	(1,251)	(771)
Net cash generated from operating activities	8,660	5,178
Cash flows from investing activities		
Purchase of plant and equipment	(161)	(384)
Payment for acquisition of subsidiary, net of cash acquired	–	(4,092)
Investment in an associate	–	(8,036)
Net cash used in investing activities	(161)	(12,512)
Cash flows from financing activities		
Payment of lease liabilities	(930)	(745)
Dividends paid to owners of the Company	(2,673)	(2,933)
Dividends paid to non-controlling interests	(2,538)	–
Acquisition of non-controlling interests	(2,500)	–
Proceeds from issuance of convertible bonds	–	3,000
Proceeds from issuance of new shares	3,009	–
Interest paid	(171)	(83)
Proceeds from bank loan	–	5,000
Repayment of bank loan	(100)	–
Redemption of convertible bonds	–	(4,000)
Net cash (used in)/generated from financing activities	(5,903)	239
Net increase/(decrease) in cash and cash equivalents	2,596	(7,095)
Cash and cash equivalents at beginning of the year	9,928	17,023
Cash and cash equivalents at end of the year	12,524	9,928

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F. Notes to the condensed interim consolidated financial statements

1 Corporate information

Asian Healthcare Specialists Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist board of Singapore Exchange Securities Trading Limited. The registered office is at 38 Irrawaddy Road #09-42 Singapore 329563.

These condensed interim consolidated financial statements as at and for the six months and twelve months ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in its associate.

The principal activities of the Company are those of an investment holding company and management consultancy services.

The principal activities of the Group are:

- (a) investment holding and provision of management consultancy services; and
- (b) provision of healthcare services.

2 Basis of preparation

The condensed interim financial statements for the six months and twelve months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 30 September 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim 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.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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2.2 Use of judgements and estimates

The preparation of the condensed interim 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2020.

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 to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

Note 12 – impairment test of goodwill: key assumptions underlying recoverable amounts

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group has the following four 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 segment 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 (“**Orthopaedic**”)
- Providing anaesthesia services (“**Anaesthesia**”)
- Providing otorhinolaryngology services (“**Ent**”)
- Providing dermatology, family medicine, gastroenterology, ophthalmology, and urology services (“**Other medical services**”)

Tax expense is managed on a group basis and are not allocated to operating segments. No presentation of geographical information has been presented as the Group's operations are mainly in Singapore.

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4.1 Reportable segments

Group 6 months ended 30 September	Orthopaedic		Anaesthesia		Ent		Other medical services		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
External revenue	6,082	3,829	994	878	314	–	6,824	5,539	14,214	10,246
Interest expense	26	24	–	–	–	–	11	11	37	35
Depreciation	233	243	14	4	53	8	245	257	545	512
Segment profit/(loss) before tax	1,719	499	527	486	(122)	(27)	2,675	2,744	4,799	3,702
<u>Unallocated amounts</u>										
Corporate expenses									(863)	(549)
Share of (loss)/profit of associate									(52)	22
Profit before tax									3,884	3,175
Tax expense									(585)	(429)
Profit for the period									3,299	2,746
Reportable segment assets	6,917	4,573	1,409	762	676	490	6,259	5,810	15,261	11,635
Associate	–	–	–	–	–	–	–	–	7,731	8,048
Reportable segment liabilities	5,452	3,539	809	256	998	519	3,066	3,350	10,325	7,664

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4.1 Reportable segments (cont'd)

Group 12 months ended 30 September	Orthopaedic		Anaesthesia		Ent		Other medical services		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
External revenue	11,410	8,732	1,951	1,466	507	–	13,695	6,736	27,563	16,934
Interest expense	45	54	–	–	1	–	21	13	67	67
Depreciation	476	487	19	7	102	8	487	316	1,084	818
Segment profit/(loss) before tax	3,113	1,749	908	868	(296)	(28)	6,103	3,341	9,828	5,930
<u>Unallocated amounts</u>										
Corporate expenses									(1,470)	(1,387)
Share of (loss)/profit of associate									(359)	22
Profit before tax									7,999	4,565
Tax expense									(1,220)	(552)
Profit for the year									6,779	4,013
Reportable segment assets	6,917	4,573	1,409	762	676	490	6,259	5,810	15,261	11,635
Associate	–	–	–	–	–	–	–	–	7,731	8,048
Reportable segment liabilities	5,452	3,539	809	256	998	519	3,066	3,350	10,325	7,664

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4.2 Disaggregation of revenue

Breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Financial year ended 30 September		
	2021 \$'000	2020 \$'000	
Sales reported for the first half year	13,349	6,688	99.6
Operating profit after tax reported for first half year	3,480	1,267	174.7
Sales reported for the second half year	14,214	10,246	38.7
Operating profit after tax reported for second half year	3,299	2,746	20.1

5 Profit before tax

Profit before tax is arrived at after the following items:

	Group			
	6 months ended 30 September		12 months ended 30 September	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other income include				
Government grants and other reliefs	(253)	(677)	(584)	(950)
Interest income	–	(6)	–	(79)
Staff costs include				
Salaries, bonuses and other costs	5,727	4,050	10,543	6,907
Contribution to defined contribution plan included in staff costs	322	248	623	410
Staff costs related to issuance of new shares pursuant to performance share plan	–	–	–	175
Depreciation include				
Depreciation of plant and equipment	95	80	187	115
Depreciation of right-of-use assets	484	465	965	768

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5 Profit before tax (cont'd)

Profit before tax is arrived at after the following items (cont'd):

	Group			
	6 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Other operating expenses include				
Expenses for corporate exercise	203	174	203	365
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	–	6	–	13
Impairment loss:				
- Trade receivables	7	39	23	42
	<hr/>	<hr/>	<hr/>	<hr/>
Finance costs include				
Interest expense on the convertible bond	–	120	–	212
Interest expense on the lease liabilities	38	37	71	74
Interest expense on bank loan	51	9	100	9
	<hr/>	<hr/>	<hr/>	<hr/>

6 Related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following are the significant related party transactions entered into by the Group in the ordinary course of business on terms agreed between the parties during the financial period/year:

Transactions with key management personnel

Key management personnel compensation comprised:

	Group	
	12 months ended	
	30 September	
	2021	2020
	\$'000	\$'000
Short-term employee benefits (including director fees)	5,577	3,888
Post-employment benefits (including CPF)	200	139
Equity-settled shared-based payment transactions	–	155
	<hr/>	<hr/>
	5,777	4,182

Directors of the Company control 52.2% of the voting shares of the Company.

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6 Related party transactions (cont'd)

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:

	Group			
	Transaction value for the		Balance outstanding	
	year ended 30 September		as at 30 September	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Rental of premises	188	153	–	21

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.

The Group entered into a two-year tenancy contract with Retina Services International Pte. Ltd., a company controlled by the key management personnel, for the premise situated at 1 Farrer Park Station Road, Unit #12-01, Connexion, Singapore 217562, for operation purposes. The monthly rental is \$3,700. 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.

The Group entered into a one-year tenancy contract with Medicalweb Pte. Ltd., a company controlled by the key management personnel, for the premise situated at 1 Farrer Park Station Road, Unit #12-02, Connexion, Singapore 217562, for operation purposes. The monthly rental is \$4,000. 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

	Group			
	Transaction value for the		Balance outstanding	
	year ended 30 September		as at 30 September	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits paid to affiliated parties	132	68	–	–
Post-employment benefits (including CPF) paid to affiliated parties	22	11	–	–

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7 Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 30 September 2021		12 months ended 30 September 2021	
	2020	2021	2020	2021
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current period/year	597	449	1,279	647
Over provision of prior period/year	(17)	(7)	(49)	(80)
	<u>580</u>	<u>442</u>	<u>1,230</u>	<u>567</u>
Deferred tax expense				
Origination and reversal of temporary differences	5	(9)	(9)	(14)
Change in unrecognised deductible temporary differences	–	(4)	(1)	(1)
	<u>5</u>	<u>(13)</u>	<u>(10)</u>	<u>(15)</u>
Total tax expense	<u>585</u>	<u>429</u>	<u>1,220</u>	<u>552</u>

8 Dividends

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

For the year ended 30 September	2021	2020
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final dividend of \$0.009 per ordinary share for financial year ended 30 September 2019 declared on 23 January 2020	–	2,933
Final dividend of \$0.0015 per ordinary share for financial year ended 30 September 2020 declared on 28 January 2021	684	–
Interim dividend of \$0.0042 per ordinary share for financial year ended 30 September 2021 declared on 14 May 2021	1,989	–
	<u>2,673</u>	<u>2,933</u>
Payable by a subsidiary to NCI		
Interim dividend of \$0.0287 per ordinary share for financial year ended 30 September 2020 declared on 29 September 2020	–	961
Interim dividend of \$0.0390 per ordinary share for financial year ended 30 September 2021 declared on 31 March 2021	1,306	–
Interim dividend of \$0.0176 per ordinary share for financial year ended 30 September 2021 declared on 30 June 2021	590	–
	<u>1,896</u>	<u>961</u>

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8 Dividends (cont'd)

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	
	2021	2020
	\$'000	\$'000
Final dividend of \$0.0028 (2020: \$0.0015) per ordinary share for the financial year ended	1,530	684

9 Earnings per share

Profit attributable to ordinary shareholders

	6 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Profit for the financial period/year	2,448	1,565	4,476	2,585

Weighted-average number of ordinary shares

	Number of shares			
	6 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	'000	'000	'000	'000
Issued ordinary shares as at the beginning of the period/year	455,933	430,964	455,933	325,893
Effect of shares issued on 19 February 2020	–	–	–	64,482
Effect of shares issued on 3 September 2020	–	3,704	–	1,847
Effect of shares issued on 26 April 2021	15,185	–	7,614	–
Effect of shares issued on 30 July 2021	24,723	–	12,395	–
Weighted-average at 30 September	495,841	434,668	475,942	392,222

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9 Earnings per share (cont'd)

	6 months ended			12 months ended		
	30 September 2021	2020	increase/ (decrease) %	30 September 2021	2020	increase/ (decrease) %
Earnings per ordinary share: -	cents	cents	%	cents	cents	%
(a) Based on the weighted average number of ordinary shares in issue; and	0.49	0.36	36.1	0.94	0.66	42.4
(b) On a fully diluted basis	0.49	0.36	36.1	0.94	0.66	42.4

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

The calculation of diluted earnings per share for the relevant financial periods/years were based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding, after adjusting the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares being adjusted for the relevant financial periods/years.

10 Net asset value per share

	Group			Company		
	As at 30 September		increase/ (decrease) %	As at 30 September		increase/ (decrease) %
	2021	2020	%	2021	2020	%
Net asset value per ordinary share based on existing issued share capital (cents)	9.27	10.35	(10.4)	11.92	10.55	13.0

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 years.

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11 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2021 and 30 September 2020. 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 2021			
Financial assets not measured at fair value			
Trade and other receivables*	2,997	–	2,997
Cash and cash equivalents	12,524	–	12,524
	<u>15,521</u>	<u>–</u>	<u>15,521</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	(2,878)	(2,878)
Unsecured bank loan	–	(4,900)	(4,900)
	<u>–</u>	<u>(7,778)</u>	<u>(7,778)</u>
30 September 2020			
Financial assets not measured at fair value			
Trade and other receivables*	3,020	–	3,020
Cash and cash equivalents	9,928	–	9,928
	<u>12,948</u>	<u>–</u>	<u>12,948</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	(2,964)	(2,964)
Unsecured bank loan	–	(5,000)	(5,000)
	<u>–</u>	<u>(7,964)</u>	<u>(7,964)</u>

* *Excluding prepayments*

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11 Financial assets and financial liabilities (cont'd)

	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Company			
30 September 2021			
Financial assets not measured at fair value			
Trade and other receivables*	5,849	–	5,849
Cash and cash equivalents	3,523	–	3,523
	<u>9,372</u>	<u>–</u>	<u>9,372</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	(385)	(385)
Unsecured bank loan	–	(4,900)	(4,900)
	<u>–</u>	<u>(5,285)</u>	<u>(5,285)</u>
30 September 2020			
Financial assets not measured at fair value			
Trade and other receivables*	11,813	–	11,813
Cash and cash equivalents	3,577	–	3,577
	<u>15,390</u>	<u>–</u>	<u>15,390</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	(399)	(399)
Unsecured bank loan	–	(5,000)	(5,000)
	<u>–</u>	<u>(5,399)</u>	<u>(5,399)</u>

* *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. The carrying amount of unsecured bank loan approximates its fair value as the effective interest rate is comparable to the movements in the market interest rate. Further, the fair value disclosure of lease liabilities is also not required.

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12 Goodwill

	\$'000
Group	
Cost	
At 1 October 2019	10,144
Acquisition pursuant to the acquisition of a subsidiary	24,956
At 30 September 2020 / 30 September 2021	<u>35,100</u>
Carrying amounts	
At 1 October 2019	<u>10,144</u>
At 30 September 2020	<u>35,100</u>
At 30 September 2021	<u>35,100</u>

Impairment testing for CGUs containing goodwill

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

	2021	2020
	\$'000	\$'000
Group		
Asian Anaesthesia Care Pte. Ltd. ("AAC")	10,144	10,144
Gastroenterology ("GASTRO")	4,557	4,557
General Practitioner ("FAMILY")	2,559	2,559
Urology ("URO")	3,822	3,822
Dermatology ("DERM")	5,372	5,372
Ophthalmology and Optometry ("OPHTHA")	8,646	8,646
	<u>35,100</u>	<u>35,100</u>

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

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12 Goodwill (cont'd)

Impairment testing for CGUs containing goodwill (cont'd)

The key assumptions used in the estimation of value in use are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Pre-tax discount rate	Terminal value growth rate	Revenue growth rate
	%	%	%
30 September 2021			
AAC	11.6	1.5	1.5
GASTRO	12.4	1.5	1.5
FAMILY	12.4	1.5	1.5
URO	12.4	1.5	1.5
DERM	12.4	1.5	1.5
OPHTHA	12.4	1.5	1.5
30 September 2020			
AAC	10.9	1.5	0 - 1.5
GASTRO	11.5	1.2	2.0
FAMILY	11.5	1.2	2.0
URO	11.5	1.2	2.0
DERM	11.5	1.2	2.0
OPHTHA	11.5	1.2	2.0

The discount rate is a post-tax measure estimated based on 10-year government bonds issued 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 CGUs.

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 revenue growth rate, consistent with the assumptions that a market participant would make.

Revenue growth was projected taking into account the historical growth levels and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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12 Goodwill (cont'd)

Impairment testing for CGUs containing goodwill (cont'd)

	Change required for carrying amount to equal the recoverable amount	
	Pre-tax discount rate	Terminal value growth rate
	%	%
30 September 2021		
AAC	1.9	(2.3)
GASTRO	7.7	(11.1)
FAMILY	5.4	(7.2)
URO	15.7	(34.0)
DERM	8.9	(13.2)
OPHA	9.0	(13.7)
<hr/>		
30 September 2020		
AAC	0.9	(1.1)
GASTRO	3.5	(4.3)
FAMILY	1.6	(1.8)
URO	4.9	(6.2)
DERM	1.3	(1.8)
OPHA	1.0	(1.1)
<hr/>		

13 Subsidiaries

	Company	
	2021 \$'000	2020 \$'000
Equity investments at cost	61,051	37,972
<hr/>		

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13 Subsidiaries (cont'd)

As at 30 September 2020 and 2021, the subsidiaries of the Group are as follows:

Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2021 %	2020 %
<i>Held by the Company</i>				
TOC Holdings Pte. Ltd. (“TOCH”)	Singapore	Investment holding and management consultancy services	100	100
Asian Anaesthesia Care Pte. Ltd.	Singapore	Provision of anaesthesia services	100	100
Cornerstone Asia Health Pte. Ltd. (“CAH”)	Singapore	Investment holding and management consultancy services	100	51
Family ENT Snoring Specialists Pte. Ltd.	Singapore	Provision of otorhinolaryngology services	100	100
Salvia Ventures Pte. Ltd.	Singapore	Investment holding and management consultancy services	100	100
<i>Held by TOCH</i>				
The Orthopaedic Centre (Farrer) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Gleneagles) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Novena) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Orchard) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (International) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100

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13 Subsidiaries (cont'd)

As at 30 September 2020 and 2021, the subsidiaries of the Group are as follows (cont'd):

Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2021 %	2020 %
<i>Held by CAH</i>				
Ng Tay Meng Gastrointestinal and Liver Clinic Pte. Ltd.	Singapore	Provision of gastroenterology services	100	51
Ng Tay Meng G.I. HEP. Services Pte. Ltd.	Singapore	Provision of gastroenterology services	100	51
GS Medic Pte. Ltd.	Singapore	Provision of general practitioner services	100	51
Urology Novena Pte. Ltd.	Singapore	Provision of urology services	100	51
URO Centre Pte. Ltd.	Singapore	Provision of urology services	100	51
Urology Surgery Pte. Ltd.	Singapore	Provision of urology services	100	51
Skin Consultancy Pte. Ltd.	Singapore	Provision of dermatology services	100	51
Bobcheng Pte. Ltd.	Singapore	Provision of ophthalmology and optometry consultancy services	100	51
RSI Medical Pte. Ltd.	Singapore	Provision of ophthalmology and optometry services	100	51

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14 Share capital

	Ordinary shares			
	2021			2020
Group and Company	No. of shares	\$'000	No. of shares	\$'000
In issue at beginning of the financial year	455,933,025	46,431	325,892,857	22,047
New shares issued pursuant to acquisition of a subsidiary ⁽¹⁾	–	–	104,171,380	20,209
New shares issued pursuant to performance share plan ⁽²⁾	–	–	900,000	175
New shares issued pursuant to conversion of convertible bonds ⁽³⁾	–	–	24,968,788	4,000
New shares issued pursuant to a private placement ⁽⁴⁾	17,700,000	3,009	–	–
New shares issued pursuant to acquisition of non-controlling interests ⁽⁵⁾	72,972,973	12,478	–	–
In issue at end of the financial year	<u>546,605,998</u>	<u>61,918</u>	<u>455,933,025</u>	<u>46,431</u>

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.

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⁾ On 19 February 2020, a total of 104,171,380 ordinary shares were issued pursuant to the acquisition of 51.0% issued and paid up shares in the share capital of Cornerstone Asia Health Pte. Ltd. ("CAH").
- ⁽²⁾ On 19 February 2020, the Company granted share awards to certain employees of the Group pursuant to the Scheme. Pursuant to the grant, 900,000 new ordinary shares were issued and allotted in the capital of the Company to the eligible employees.
- ⁽³⁾ On 3 September 2020, the investors had converted \$4,000,000 convertible bonds into 24,968,788 Conversion Shares.
- ⁽⁴⁾ On 26 April 2021, a total of 17,700,000 ordinary shares were issued pursuant to a private placement.
- ⁽⁵⁾ On 30 July 2021, a total of 72,972,973 ordinary shares were issued pursuant to the acquisition of 49.0% issued and paid up shares in the share capital of CAH.

There are no outstanding options or convertible instruments, shares held as treasury shares and subsidiary holdings as at 30 September 2021 and 30 September 2020.

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15 Loans and borrowings

	Group and Company	
	2021	2020
	\$'000	\$'000
Unsecured bank loan		
Amount repayable within one year	1,215	100
Amount repayable after one year	3,685	4,900
	<u>4,900</u>	<u>5,000</u>

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 unsecured bank loan is 5 years at 2.00% per annum on monthly rests, maturing in 2025.

16 Subsequent events

There are no known subsequent events to be disclosed or which would have led to adjustments to this set of unaudited interim financial statements.

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G. Other information required by Appendix 7C of the Catalist Rules

1 Review

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

The condensed consolidated statement of financial position of Asian Healthcare Specialists Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

2 Review of performance of the Group

STATEMENT OF PROFIT OR LOSS

Revenue

For FY2021, revenue increased by \$10,629,000 or 62.8%, from \$16,934,000 to \$27,563,000, mainly due to **(1)** the consolidation of the results of Cornerstone Asia Health Pte. Ltd. (“CAH”), pursuant to the Company’s acquisition of 51.0% of CAH in February 2020. In FY2021, CAH contributed \$13,695,000 (FY2020: \$6,736,000) to the Group’s revenue; **(2)** an increase in the number of patient visits as compared to last year pursuant to the recovery from COVID-19 pandemic; and **(3)** the commencement of operation of ENT clinic in November 2020.

For 2H2021, revenue increased by \$3,968,000 or 38.7%, from \$10,246,000 to \$14,214,000, mainly due to **(1)** an increase in the number of patient visits as compared to last year pursuant to the recovery from COVID-19 pandemic; and **(2)** the commencement of operation of ENT clinic in November 2020.

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2 Review of performance of the Group (cont'd)

STATEMENT OF PROFIT OR LOSS (CONT'D)

Other income

The Group's other income for FY2021 and 2H2021 decreased by \$403,000 or 38.3% and \$403,000 or 57.3% respectively, from \$1,051,000 to \$648,000 and from \$703,000 to \$300,000. The decrease was mainly due to decrease in government grants and other reliefs of \$366,000 and \$424,000 in FY2021 and 2H2021 respectively.

Items of expense

Supplies and consumables used

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

For FY2021, expense arising from supplies and consumables increased by \$1,409,000 or 62.5%, from \$2,253,000 in FY2020 to \$3,662,000. The increase was in tandem with the increase in revenue.

For 2H2021, expense arising from supplies and consumables increased by \$481,000 or 36.2%, from \$1,328,000 in 2H2020 to \$1,809,000. The increase was in tandem with the increase in revenue.

Purchased and contracted services

For FY2021 and 2H2021, purchased and contracted services increased by \$391,000 or 141.7% and \$160,000 or 76.2%, from 276,000 in FY2020 to \$667,000 in FY2021 and from \$210,000 in 2H2020 to \$370,000 in 2H2021 respectively. 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 FY2021, purchased and contracted services arising from CAH's medical practices was \$588,000 (FY2020: \$225,000).

Staff costs

For FY2021 and 2H2021, staff costs increased by \$3,674,000 or 49.0% and \$1,751,000 or 40.7%, from \$7,492,000 in FY2020 to \$11,166,000 in FY2021 and from \$4,298,000 in 2H2020 to \$6,049,000 in 2H2021 respectively. The increase was generally in tandem with the increase in revenue and the increase in headcounts from the acquisition of CAH.

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2 Review of performance of the Group (cont'd)

STATEMENT OF PROFIT OR LOSS (CONT'D)

Items of expense (cont'd)

Depreciation

For FY2021, depreciation increased by \$269,000 or 30.5%, from \$883,000 in FY2020 to \$1,152,000 in FY2021. The increase was mainly due to the Group operating more medical clinics as a result of the acquisition of CAH and the commencement of operations of ENT clinic in November 2020, resulting in an increase in depreciation of plant and equipment by \$58,000 and an increase in depreciation of right-of-use assets by \$207,000.

For 2H2021, depreciation increased by \$34,000 or 6.2%, from and from \$545,000 in 2H2020 to \$579,000 in 2H2021. The increase was mainly due to the commencement of operation of ENT clinic in November 2020, resulting in an increase in depreciation of plant and equipment by \$29,000 and an increase in depreciation of right-of-use assets by \$16,000.

Other operating expenses

For FY2021 and 2H2021, other operating expenses increased by \$811,000 or 36.8% and \$465,000 or 38.4%, from \$2,201,000 in FY2020 to \$3,012,000 in FY2021 and from \$1,210,000 in 2H2020 to \$1,675,000 in 2H2021 respectively. The increase in other operating expenses was in tandem to the increase in revenue.

Finance costs

For FY2021 and 2H2021, finance costs decreased by \$124,000 or 42.0% and \$77,000 or 46.4%, from \$295,000 in FY2020 to \$171,000 in FY2021 and from \$166,000 in 2H2020 to \$89,000 in 2H2021 respectively. The decrease in finance costs was mainly due to the redemption and conversion of the convertible bonds in FY2020, resulting in a decrease in interest on the convertible bonds by \$212,000 in FY21 and \$120,000 in 2H2021 respectively; and partially offset by increase in interest expense on bank loan by \$91,000 in FY2021 and \$42,000 in 2H2021 respectively.

Share of (loss)/profit of associate

For FY2021 and 2H2021, the Group recorded \$359,000 and \$52,000 share of loss of associate respectively, which was pertaining to losses incurred by an associated company, Fansipan 2 Holdings Pte. Ltd. (“**Fansipan 2**”). The Group holds approximately 23.81% 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 Covid-19 outbreak in Vietnam during the periods under review.

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2 Review of performance of the Group (cont'd)

STATEMENT OF PROFIT OR LOSS (CONT'D)

Profit before tax

For FY2021 and 2H2021, the Group recorded an increase in profit before tax of \$3,434,000 or 75.2% and \$709,000 or 22.3%, from \$4,565,000 in FY2020 to \$7,999,000 in FY2021 and from \$3,175,000 in 2H2020 to \$3,884,000 in 2H2021 respectively. The increase was in tandem to the increase in revenue. As mentioned above, as the Company acquired 51.0% of CAH in February 2020, the profit before tax reported includes non-controlling interests share of profit in a subsidiary of the Company for the periods under review.

Tax expense

For FY2021 and 2H2021, income tax expense increased by \$668,000 or 121.0% and \$156,000 or 36.4%, from \$552,000 in FY2020 to \$1,220,000 in FY2021 and from \$429,000 in 2H2020 to \$585,000 in 2H2021 respectively. The increase was in tandem with the increase in profit before tax and the effect of corporate income tax rebates in 1H2020.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

Non-current assets

Non-current assets increased by \$20,000, from \$45,304,000 as at 30 September 2020 to \$45,324,000 as at 30 September 2021, mainly due to **(1)** decrease in investment in associate of \$317,000; **(2)** decrease in plant and equipment of \$29,000; and offset by **(3)** increase in right-of-use assets of \$361,000.

Non-current assets amounted to \$45,324,000 or 73.4% of the Group's total assets. Non-current assets mainly consist of **(1)** goodwill of \$35,100,000 or 77.4% of the Group's non-current assets, arising from the acquisition of subsidiaries; **(2)** investment in associate of \$7,731,000 or 17.1% of the Group's non-current assets; **(3)** right-of-use assets of \$1,903,000 or 4.2% of the Group's non-current assets, mainly pertaining to leases of clinic premises; and **(4)** plant and equipment of \$579,000 or 1.3% of the Group's non-current assets, comprising medical equipment, furniture, fittings, and office equipment, renovations and computers.

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2 Review of performance of the Group (cont'd)

STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 30 September 2021 (cont'd)

Current assets

Current assets increased by \$2,915,000 or 21.6%, from \$13,492,000 as at 30 September 2020 to \$16,407,000 as at 30 September 2021, mainly due to **(1)** increase in cash and cash equivalents of \$2,596,000 or 26.1% (for more details, refer to page 7 of this announcement for the statement of cash flows); and **(2)** increase in trade and other receivables by \$260,000 or 8.1% which was in tandem with the increase in revenue.

Current assets amounted to \$16,407,000 or 26.6% of the Group's total assets. Current assets mainly consist of **(1)** cash and cash equivalents of \$12,524,000 or 76.3% of the Group's current assets; and **(2)** trade and other receivables (comprising of trade receivables, deposits, prepayments and other receivables) of \$3,477,000 or 21.2% of the Group's current assets.

Non-current liabilities

Non-current liabilities decreased by \$859,000 or 14.9%, from \$5,759,000 as at 30 September 2020 to \$4,900,000 as at 30 September 2021, mainly due to **(1)** \$1,215,000 of the non-current bank loan as of 30 September 2020 turned current; and offset by **(2)** increase in non-current lease liabilities of \$361,000.

Non-current liabilities amounted to \$4,900,000 or 44.2% of the Group's total liabilities, consisting mainly **(1)** non-current portion of the bank loan, amounting to \$3,685,000 or 75.2% of the Group's non-current liabilities; and **(2)** lease liabilities of \$1,185,000 or 24.2% of the Group's non-current liabilities.

Current liabilities

Current liabilities increased by \$1,033,000 or 20.1%, from \$5,143,000 as at 30 September 2020 to \$6,176,000 as at 30 September 2021, mainly due to \$1,215,000 of the non-current bank loan as of 30 September 2020 turned current, resulting in an increase in current bank loan by \$1,115,000.

Current liabilities amounted to \$6,176,000 or 55.8% of the Group's total liabilities. Current liabilities mainly consist of **(1)** trade and other payables of \$2,878,000 or 46.6% of the Group's total current liabilities; **(2)** current tax payable of \$1,279,000 or 20.7% of the Group's total current liabilities; **(3)** current portion of the bank loan, amounting to \$1,215,000 or 19.7% of the Group's total current liabilities; and **(4)** lease liabilities of \$742,000 or 12.0% of the Group's total current liabilities.

Equity

As at 30 September 2021, equity attributable to owners of the Company of \$50,655,000, comprised of issued and fully paid share capital of \$61,918,000, retained earnings of \$4,639,000, net of reserves of \$15,902,000.

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2 Review of performance of the Group (cont'd)

STATEMENT OF CASH FLOWS

FY2021

Operating activities

In FY2021, net cash generated from operating activities amounted to \$8,660,000. This comprised operating cash flows before changes in working capital of \$9,655,000 and net working capital inflows of \$256,000; offset by income tax paid of \$1,251,000. The net working capital inflows were due to the increase in **(1)** trade and other payables of \$556,000 and **(2)** contract liabilities of \$19,000, partially offset by the increase in **(3)** trade and other receivables of \$260,000; **(4)** contract assets of \$49,000; and **(5)** inventory of \$10,000.

Investing activities

In FY2021, net cash used in investing activities amounting to \$161,000 was attributed to the purchase of plant and equipment of \$161,000, mainly pertaining to purchase of medical equipment for the ENT clinic and anaesthesia services.

Financing activities

In FY2021, net cash used in financing activities amounted to \$5,903,000, was due to **(1)** dividend paid to owners of the Company of \$2,673,000; **(2)** dividend paid to non-controlling interests of \$2,538,000; **(3)** cash consideration paid for the acquisition of remaining 49.0% equity interests in the Company's subsidiary, CAH amounted to \$2,500,000; **(4)** payment of lease liabilities including interests on lease liabilities of \$1,001,000; **(5)** repayment of bank loan principal and interest of \$200,000; and partially offset by **(6)** \$3,009,000 proceeds from issuance of new shares.

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

There is no significant variance from the previous disclosure of prospects statement.

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4 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 led to a dramatic loss of human life worldwide and presents unprecedented economic and social challenges to public health, food systems and supply chain. Due to travel restrictions implemented by all countries around the world, the sharp decline in travel and medical tourism has resulted in an increased use of telemedicine to ensure continuity of care for international patients.

Social distancing and hospital capacity concerns may cause a drop in healthcare spending. As reported in the news, resignation rates amongst healthcare workers have increased significantly this year. Therefore, adhering to safe work practices in the healthcare sector is paramount with higher hygiene standards and the use of personal protective equipment. In addition, the disruption in supply chains also contributes to the increase in staff and operational costs.

The Group supports the active collaboration between public and private hospitals to help to look after the increase in COVID-19 positive patients in Singapore. While this has resulted in a drop in the provision of elective surgeries, this is a crucial period where everyone in the healthcare sector joins the coronavirus frontline. As the battle against COVID-19 continues, the Company believes to work towards securing a sustainable future, building a team of workers that have ability to adapt to change and explore collaboration with synergistic business opportunities.

Based on a preliminary review and barring any unforeseen circumstances, the Group is cautiously optimistic of its business prospectus in the new financial year. 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.

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5 Dividend information

(a) Current financial period reported on

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

Yes. The Board has recommended a final one-tier tax exempt dividend of \$0.0028 per ordinary share (the “**Final Dividend**”)

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	\$0.0028 per ordinary share
Tax Rate:	Tax-exempt (one-tier)

(b) Previous corresponding period

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

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	\$0.0015 per ordinary share
Tax Rate:	Tax-exempt (one-tier)

(c) Date payable

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

(d) Books closure date

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

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

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

Not applicable.

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6 Interested person transactions

The Group 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 year under review including transactions less than \$100,000
	\$'000
Transaction 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
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.	44
Medicalweb Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #12-02, Connexion, Singapore 217562 by Skin Consultancy Pte. Ltd.	48

7 Use of proceeds

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**”). 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 \$0.17 for each Subscription Share. The Company had received an aggregated gross consideration of \$3.0 million.

The Company had utilised \$2.7 million, out of which \$2.5 million cash consideration was paid on 30 July 2021 in connection with the acquisition of the remaining 49.0% of the issued and paid-up share capital in the Company’s subsidiary, Cornerstone Asia Health Pte. Ltd., and \$0.2 million was paid on expenses related to the foregoing transactions. The Company has yet to utilise the balance of \$0.3 million as at the date of this announcement.

8 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 in the required format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

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- 9 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

The disclosure of such person occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company were as follows:

Name of Related Employees	Aggregate amount of employment salary and bonus including employer's CPF contribution during the financial year under review
	\$'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.	45
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.	109

BY ORDER OF THE BOARD

CHIN PAK LIN

Executive Director and CEO
26 November 2021

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@rhtqoc.com