

CIRCULAR DATED 10 NOVEMBER 2022

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS OF ASIAN HEALTHCARE SPECIALISTS LIMITED (THE "COMPANY") AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER, XANDAR CAPITAL PTE. LTD. (THE "IFA"). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by the Company. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued ordinary shares in the share capital of the Company ("Shares") held through The Central Depository (Pte) Limited ("CDP"), you need not forward the Notice (as defined herein) to the purchaser or the transferee as arrangements will be made by CDP for a separate Notice to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately hand the Notice to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

The Company has electronically disseminated this Circular through publication on the websites of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Company. Accordingly, please note that no printed copies of the Circular will be despatched to Shareholders. Only printed copies of the Notice will be despatched to Shareholders.

This Circular 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 SGX-ST.

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

The contact person for the Sponsor is Mr. Mah How Soon – Registered Professional, 36 Robinson Road, City House #10-06, Singapore 068877, sponsor@rhtgoc.com.



Asian Healthcare Specialists Limited

(Company Registration Number: 201727543R)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

DBS Bank Ltd.

(Company Registration Number: 196800306E)
(Incorporated in Singapore)

for and on behalf of

Labrador Park Pte. Ltd.

(Company Registration Number: 202232087C)
(Incorporated in Singapore)

to acquire all of the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Labrador Park Pte. Ltd.

Independent Financial Adviser to the Recommending Directors of the Company



Xandar Capital Pte. Ltd.

(Company Registration Number: 200002789M)
(Incorporated in Singapore)

SHAREHOLDERS SHOULD NOTE THAT AS ANNOUNCED IN THE UNCONDITIONAL ACCEPTANCES ANNOUNCEMENT (AS DEFINED HEREIN), ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON THURSDAY, 15 DECEMBER 2022 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

GENERAL

<i>“Auditors SOP Review Letter”</i>	:	The letter from the Auditors dated 10 November 2022 in relation to the Statement of Prospects, as set out in Appendix VI to this Circular
<i>“Board”</i>	:	Board of Directors of the Company
<i>“Business Day”</i>	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
<i>“Catalist Rules”</i>	:	Section B: Rules of Catalist of the SGX-ST listing manual, as amended, modified or supplemented from time to time
<i>“Circular”</i>	:	This Circular to Shareholders in relation to the Offer setting out, <i>inter alia</i> , the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer
<i>“Closing Date”</i>	:	5.30 p.m. (Singapore time) on Thursday, 15 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore
<i>“Company Securities”</i>	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company
<i>“Constitution”</i>	:	The constitution of the Company
<i>“Despatch Date”</i>	:	27 October 2022
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date, namely: (i) Dr. Chin Pak Lin; (ii) Dr. Yue Wai Mun; (iii) Dr. Cheng Ching Li; (iv) Mr. Leow Chung Chong Yam Soon; (v) Mr. Siek Wei Ting;

(vi) Mr. Vikram Nair; and

(vii) Mr. Yeo Wee Kiong,

and “**Director**” means any one of them

“ <i>Distributions</i> ”	:	In respect of the Offer Shares, all dividends, rights, other distributions and/or return of capital
“ <i>Encumbrances</i> ”	:	Any claims, charges, liens, pledge, mortgages, encumbrances, declaration of trust, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal, moratorium or other third party rights or interests of any nature whatsoever
“ <i>FAA</i> ”	:	Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
“ <i>FAT</i> ”	:	Form of Acceptance and Transfer for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“ <i>FY</i> ”	:	Financial year ended or ending on (as the case may be) 30 September of a particular year as stated
“ <i>IFA Letter</i> ”	:	The letter dated 10 November 2022 from the IFA to the Directors in respect of the Offer as set out in Appendix I to this Circular
“ <i>IFA Letters</i> ”	:	The IFA Letter and IFA Rule 10 Letter
“ <i>IFA Rule 10 Letter</i> ”	:	The letter dated 10 November 2022 from the IFA in respect of the terms of the Reinvestments under the Reinvestment Agreement and Reinvestment Irrevocable Undertakings as set out in Appendix II to this Circular
“ <i>IFA SOP Review Letter</i> ”	:	The letter from the IFA dated 10 November 2022 in relation to the Statement of Prospects, as set out in Appendix VII to this Circular
“ <i>Key Doctors</i> ”	:	Dr. Chin Pak Lin, Dr. Su Hsien Ching David, Dr. Cheng Ching Li, Dr. Ho Siew Hong, Dr. Lim Tet Chen Roy, Dr. Khoo Shih Wee @ Lawrence Khoo, Dr Ng Tay Meng and Dr. Seah Sheng Heang Geoffry
“ <i>Latest Practicable Date</i> ”	:	7 November 2022, being the latest practicable date prior to the printing of this Circular, save that where parts of the Offer Document (including the letter from DBS to the Shareholders in the Offer Document) are reproduced, references to the “Latest Practicable Date” in such reproduction shall mean the Offer Document LPD

<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading of securities
<i>"Moratorium"</i>	:	Shall have the meaning ascribed to it in Paragraph 6.2 of Appendix III to this Circular
<i>"Moratorium-related Documents"</i>	:	<ul style="list-style-type: none"> (i) The deed of undertaking dated 12 April 2018 given by AHSIH to the Company in relation to certain restrictions imposed on the 235,807,000 ordinary shares held by AHSIH in the Company; (ii) the sale and purchase agreement dated 26 October 2018 between Dr. Lim Tet Chen Roy and the Company; (iii) the sale and purchase agreement dated 4 December 2019 between, <i>inter alia</i>, the Company, Dr. Ng Tay Meng ("Dr. Ng"), Dr. Seah Sheng Heang Geoffry ("Dr. Seah"), Dr. Khoo Shih Wee @ Lawrence Khoo ("Dr. Khoo"), Dr. Ho Siew Hong ("Dr. Ho"), and Dr. Cheng Ching Li ("Dr. Cheng"); and (iv) the sale and purchase agreement dated 30 June 2021 between the Company, Dr. Ng, Dr. Seah, Dr. Khoo, Dr. Ho and Dr. Cheng
<i>"Moratorium-related Restrictions"</i>	:	<p>Pursuant to the Moratorium-related Documents, the Key Doctors undertook not to, during certain periods, do or agree to do any of the following acts in respect of certain ordinary shares they hold in the Company:</p> <ul style="list-style-type: none"> (i) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the moratorised shares; (ii) enter into any transaction or other arrangement, in whole or in part, (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the moratorised shares, in cash or otherwise; (iii) deposit all of his effective interest, in any moratorised shares in any depository receipt facility; or (iv) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; and (v) publicly announce any intention to do any of the above

<i>“Moratorium Shares”</i>	:	Shall have the meaning ascribed to it in Paragraph 6.2 of Appendix III to this Circular
<i>“Moratorium Waiver”</i>	:	Shall have the meaning ascribed to it in Paragraph 6.2 of Appendix III to this Circular
<i>“Non-Recommend­ing Directors”</i>	:	Dr. Chin Pak Lin, Dr. Yue Wai Mun and Dr. Cheng Ching Li
<i>“Notice”</i>	:	The printed notice despatched to Shareholders on the date of this Circular, containing, <i>inter alia</i> , instructions on how the Shareholders can locate this Circular electronically on the website of the SGX-ST at http://www.sgx.com . and on the Company’s corporate website at https://asianhealthcare.com.sg
<i>“Offer”</i>	:	The voluntary conditional cash offer by DBS Bank Ltd., for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
<i>“Offer Announcement”</i>	:	The announcement issued by DBS Bank Ltd. on the Offer Announcement Date, for and on behalf of the Offeror, in relation to the Offer
<i>“Offer Announcement Date”</i>	:	6 October 2022
<i>“Offer Document”</i>	:	The offer document dated 27 October 2022 issued by DBS, for and on behalf of the Offeror, in respect of the Offer
<i>“Offer Document LPD”</i>	:	20 October 2022, stated in the Offer Document to be the latest practicable date prior to the dispatch of the Offer Document
<i>“Offer Price”</i>	:	Shall have the meaning ascribed to it in Section 2.1 of this Circular
<i>“Offer Shares”</i>	:	Shall have the meaning ascribed to it in Section 2.2 of this Circular
<i>“Offer Threshold”</i>	:	Shall have the meaning ascribed to it in Section 2.5(a) of this Circular
<i>“Offer Unconditional Date”</i>	:	The date on which the Offer has become or is declared unconditional in all respects in accordance with its terms
<i>“Offeror Securities”</i>	:	(i) securities which carry voting rights in the Offeror; or (ii) convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Offeror

<i>“Overseas Shareholders”</i>	:	Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the Depository Register
<i>“Recommending Directors”</i>	:	The directors of the Company who are considered to be independent for the purposes of the Offer, namely, Mr. Leow Chung Chong Yam Soon, Mr. Siek Wei Ting, Mr. Vikram Nair and Mr. Yeo Wee Kiong
<i>“Register”</i>	:	The register of members of the Company, as maintained by the Share Registrar
<i>“Reinvestment Agreement”</i>	:	The reinvestment agreement under which the Key Doctors (and/or the vehicle through which he holds Shares) will reinvest 35 per cent. of the amount of the aggregate Offer Price agreed to be received by him/it in respect of his/its Shares to subscribe for (or in the case of a Key Doctor who holds Shares through a vehicle, to make payment for his subscription of) new ordinary shares in the capital of DA at an issue price equal to the issue price to be paid by other subscribers for new shares in the capital of DA in its upcoming equity fundraising
<i>“Reinvestment Irrevocable Undertaking”</i>	:	The irrevocable undertakings given by each of the Key Doctors to the Offeror
<i>“Reinvestments”</i>	:	The reinvestment arrangements under the Reinvestment Agreement
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore
<i>“Shareholders”</i>	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)
<i>“Shares”</i>	:	Issued ordinary shares in the capital of the Company
<i>“SRS”</i>	:	Supplementary Retirement Scheme
<i>“SRS Agent Banks”</i>	:	Agent banks included under the SRS
<i>“SRS Investors”</i>	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
<i>“Third Party Consents Condition”</i>	:	Shall have the meaning ascribed to it in Section 2.5(b) of this Circular

<i>“Unconditional Acceptances Announcement”</i>	:	The announcement released on 9 November 2019 by DBS, for and on behalf of the Offeror, in relation to, inter alia, the Offer being declared unconditional as to acceptances and the extension of the Closing Date
<i>“%” or “per cent.”</i>	:	Percentage or per centum
<i>“1H”</i>	:	First half financial period ended or ending on (as the case may be) 31 March of a particular year as stated

COMPANIES/ORGANISATIONS

<i>“AHSIH”</i>	:	AHS Investments Holdings Pte. Ltd.
<i>“Associate”</i>	:	Fansipan 2 Holdings Pte. Ltd.
<i>“Auditors” or “KPMG”</i>	:	KPMG LLP
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	Asian Healthcare Specialists Limited
<i>“DA”</i>	:	Doctor Anywhere Pte. Ltd.
<i>“DBS”</i>	:	DBS Bank Ltd.
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“IFA” or “Xandar Capital”</i>	:	Xandar Capital Pte. Ltd., the appointed independent financial adviser to the Recommending Directors in respect of the Offer
<i>“Offeror”</i>	:	Labrador Park Pte. Ltd.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“Sponsor” or “RHT Capital”</i>	:	RHT Capital Pte. Ltd.

Unless otherwise defined, the terms “**acting in concert**” and “**associates**” shall have the meanings ascribed to them in the Code.

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or the Code or any modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

References in this Circular to the total number of issued Shares are based on 578,370,195 Shares as at the Latest Practicable Date, unless otherwise stated.

Capitalised terms used in extracts of the Offer Document, IFA Letters, Constitution, IFA SOP Review Letter and Auditors SOP Review Letter set out in this Circular within quotes and italics shall have the same meanings as ascribed to them in the Offer Document, IFA Letters, Constitution, IFA SOP Review Letter and Auditors SOP Review Letter, respectively.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Offer.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of Despatch of Offer Document ⁽¹⁾	:	27 October 2022
Offer was declared unconditional as to acceptances (as stated in the Unconditional Acceptances Announcement)	:	9 November 2022
Date of electronic dissemination of Circular ⁽¹⁾	:	10 November 2022
Closing Date in respect of the Offer ⁽²⁾	:	5.30 p.m. (Singapore time) on Thursday, 15 December 2022 or such later date(s) as may be announced from time to time, by or on behalf of the Offeror
Date of settlement in respect of the Offer on which the Offer Price is despatched to Accepting Shareholders ⁽¹⁾	:	<p>In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven Business Days after the Offer Unconditional Date</p> <p>In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within seven Business Days after the date of receipt of each such acceptance</p>

Notes:

- (1) Other than the Despatch Date, date of electronic dissemination of Circular and the date of settlement in respect of the Offer, the other dates set out in the timetable above are indicative only and the actual dates of such events will be announced in due course by or on behalf of the Offeror or the Company on SGXNET.
- (2) SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Company Registration Number: 201727543R)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Directors:

Dr. Chin Pak Lin (Executive Director and Chief Executive Officer)
Dr. Yue Wai Mun (Executive Director and Chief Medical Officer)
Dr. Cheng Ching Li (Executive Director)
Mr. Leow Chung Chong Yam Soon (Non-Executive Chairman and Independent Director)
Mr. Siek Wei Ting (Independent Director)
Mr. Vikram Nair (Independent Director)
Mr. Yeo Wee Kiong (Non-Executive and Non-Independent Director)

Registered Office:

38 Irrawaddy Road,
#09-42
Singapore 329563

10 November 2022

To: The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY DBS, FOR AND ON BEHALF OF THE OFFEROR, FOR ALL THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, DBS announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional offer for all the issued ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror.

A copy of the Offer Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

1.2 Offer Document

Shareholders should have by now received a notice of electronic dissemination of the Offer Document and its related documents, which contains the instructions for the electronic retrieval of the Offer Document disseminated on 27 October 2022 setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at <http://www.sgx.com>.

1.3 Independent Financial Adviser

Xandar Capital has been appointed as the independent financial adviser to the Recommending Directors in respect of the Offer.

1.4 Purpose of Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

Based on the information set out in the Offer Document, DBS has, for and on behalf of the Offeror, made the Offer for all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, on the following basis:

2.1 Offer Price

For each Offer Share: S\$0.188 in cash (the “Offer Price”)

2.2 Offer Shares

The Offeror is making the Offer for all of the Shares in issue (excluding any treasury shares), other than those already owned, controlled or agreed to be acquired by the Offeror (the “Offer Shares”).

2.3 No Encumbrances

The Shares will be acquired:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

2.4 Adjustment for Distributions

The Offer Price has been determined on the basis that the Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date. Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to such Accepting Shareholder by the amount of such Distribution where the Offeror is not entitled to receive such Distribution.

2.5 Conditions to the Offer

The Offer will be subject to the following conditions:

- (a) **Minimum Acceptance Condition.** The Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting in concert with it holding 90 per cent. or more of the total number of Shares (excluding any treasury shares) as at the close of the Offer (the “**Offer Threshold**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which will result in the Offeror and parties acting in concert with it holding such number of Shares amounting to 90 per cent. or more of the maximum potential issued share capital of the Company on the date of such declaration. For this purpose, the “maximum potential issued share capital of the Company” means the total number of Shares which would be in issue (excluding treasury shares), and if and to the extent that the Company has any outstanding instruments convertible into, rights to subscribe for, or options in respect of, Shares, had all such instruments, subscription rights and options been exercised as at the date of such declaration.

- (b) **Third Party Consents.** The Offeror having received, by the close of the Offer, all authorisations, consents, clearances, permissions, waivers and approvals as are necessary or required by the Group from the landlords of premises leased by Group companies, for or in respect of the Offer (the “**Third Party Consents Condition**”).

If the Third Party Consents Condition is not satisfied (or waived by the Offeror), the Offeror may invoke the non-satisfaction of the Third Party Consents Condition so as to cause the Offer to lapse, subject to the Offeror consulting with the SIC and obtaining its prior approval.

As stated in the Unconditional Acceptances Announcement, as at 6.00 p.m. (Singapore time) on 8 November 2022, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and the Offeror’s concert parties (including valid acceptances of the Offer) amount to an aggregate of 521,390,138 Shares, representing approximately 90.15 per cent. of the total number of Shares.

As the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror and the Offeror’s concert parties holding more than 90 per cent. of the total number of Shares (excluding any treasury shares) as at 6.00 p.m. (Singapore time) on 8 November 2022, DBS has announced, for and on behalf of the Offeror, that the Offer Threshold has been satisfied.

For the avoidance of doubt, the Third Party Consents Condition has not been satisfied yet and accordingly, the Offer has not become unconditional in all respects as at 9 November 2022.

2.6 No Options

As at the Offer Document LPD, based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company.

2.7 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Offer Announcement Date.

2.8 Duration of the Offer

(a) Closing Date

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder.

As stated in the Unconditional Acceptances Announcement, the Offer has been declared unconditional as to acceptances. In accordance with Rule 22.6 of the Code, after an offer has become or is declared unconditional as to acceptances, the offer must remain open for acceptance for not less than 14 days after the date on which the offer would otherwise have closed.

DBS has announced, for and on behalf of the Offeror, that the closing date for the Offer has been extended from 5.30 p.m. (Singapore time) on 1 December 2022 to 5.30 p.m. (Singapore time) on 15 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on Thursday, 15 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) Final Day Rule

The Offer (whether revised or not) will not be capable:

- (i) of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or
- (ii) of being kept open after the expiry of such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**").

Except with the SIC's consent, all conditions must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

2.9 Details of the Offer

Appendix 1 to the Offer Document sets out further details on (a) the duration of the Offer, (b) the settlement for the Offer, (c) the announcements that will be made in relation to the Offer, and (d) the right of withdrawal of acceptances of the Offer.

2.10 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document, the FAA and the FAT.

3. INFORMATION ON THE OFFEROR AND DA

The information on the Offeror and DA set out in italics below has been extracted from Section 5 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“5. INFORMATION ON THE OFFEROR AND DA

5.1 ***The Offeror.** The Offeror is a special purpose vehicle incorporated in Singapore and indirectly wholly owned by DA for the purposes of the Offer.*

As at the Latest Practicable Date, the board of directors of the Offeror comprises three members of the management of DA, consisting of:

5.1.1 *Mr. Lim Wai Mun, who is the Founder, Chief Executive Officer and Chairman of DA and the sole executive director of DA;*

5.1.2 *Mr. Ng Chen Xuan, who is the Senior Manager for Corporate Development of DA and leads the mergers & acquisitions function of DA and its subsidiaries; and*

5.1.3 *Ms. Melissa Marie Tan Shu Ling, who is the Legal Director of DA and oversees the legal function of DA and its subsidiaries.*

*As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1 comprising 1 ordinary share (each ordinary share in the capital of the Offeror being an “**Offeror Share**”, and a holder thereof, an “**Offeror Shareholder**”), held by DA Alexandra Pte. Ltd., the sole shareholder of the Offeror as at the Latest Practicable Date. DA Alexandra Pte. Ltd. is a wholly owned subsidiary of DA.*

As at the Latest Practicable Date, the Offeror does not have any existing interest in the Shares.

Appendix 3 to this Offer Document sets out additional information on the Offeror.

5.2 **Information on DA.** *DA is a regional tech-enabled, omnichannel healthcare company, on a mission to make healthcare simple, accessible, and efficient for everyone. DA's digital platform bridges gaps in the healthcare ecosystem through technology and innovation, enabling users to manage their health easily and effectively through the DA mobile app. Headquartered in Singapore and with a presence in six countries across the region (Singapore, Malaysia, Vietnam, Thailand, Philippines and Indonesia), DA now serves approximately 2.5 million users across Southeast Asia. DA's shareholders include growth equity investor Asia Partners, EDBI, IHH Healthcare, Kamet Capital, Novo Holdings, OSK-SBI Venture Partners, Pavilion Capital, Philips and Square Peg.*

The board of directors of DA comprises five members, consisting of Mr. Lim Wai Mun, Mr. Kerry Goh Siow Hong (with Mr. Liang Jie as his alternate director), Mr. Tushar Roy, Mr. Amit Kakar and Mr. Oliver Minho Rippel.

As at the Latest Practicable Date, DA does not have any existing interest in the Shares.

Appendix 4 to this Offer Document sets out additional information on DA.”

4. IRREVOCABLE UNDERTAKINGS

The information on Reinvestment Irrevocable Undertakings and other irrevocable undertakings obtained by the Offeror set out in italics below has been extracted from Section 7 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“7. IRREVOCABLE UNDERTAKINGS

7.1 **Reinvestment Irrevocable Undertakings.** *The Offeror has identified certain key doctors in the Company and considers that the retention by such key doctors (the “Key Doctors”) of an equity interest in the Group’s business is important to ensure that they remain financially interested in the Group’s business, and are incentivised to continue to stay with the Group and contribute to the Group’s business. The Key Doctors comprise the Reinvestment Undertaking Shareholders (as defined below) listed in Rows 2 to 7 of the table below and the shareholders of AHS, as set out in Note 1 of the table below.*

To this end, each of the Key Doctors (and/or the vehicle through which he holds Shares, being AHS) (the “**Reinvestment Undertaking Shareholders**”) has given an irrevocable undertaking (the “**Reinvestment Irrevocable Undertakings**”) to the Offeror to, inter alia:

- 7.1.1** tender all the Shares that he/it is the legal and beneficial owner of as at the date of the Reinvestment Irrevocable Undertakings (“**Current Shares**”), any other Shares which he/it may subsequently acquire by way of bonus issue, rights issue, dividend or distribution of Shares or otherwise declared or issued by the Company in respect of the Current Shares on or after the date of the Reinvestment Irrevocable Undertakings, and any other Shares which he/it may after the date of the Reinvestment Irrevocable Undertakings acquire (directly or indirectly or through a nominee) or of which he/it may after the date of the Reinvestment Irrevocable Undertakings become the legal and/or beneficial owner or in which he/it may after the date of the Reinvestment Irrevocable Undertakings have an interest (as defined in Section 7 of the Companies Act) which he/it controls, in acceptance of the Offer in accordance with the procedures prescribed in the Offer Document and the relevant form(s) of acceptance accompanying it; and
- 7.1.2** reinvest 35 per cent. of the amount of the aggregate Offer Price agreed to be received by him/it in respect of his/its Shares (the “**Reinvestment Amount**”) to subscribe for (or in the case of a Key Doctor who holds Shares through a vehicle, to make payment for his subscription of) new ordinary shares in the capital of DA (the “**New DA Shares**”) at an issue price equal to the issue price to be paid by other subscribers for new shares in the capital of DA in its upcoming equity fundraising, in accordance with a reinvestment agreement entered into with DA and the Offeror (the “**Reinvestment Agreement**”, and such reinvestment arrangements, the “**Reinvestments**”). Following such subscription of the New DA Shares by the Key Doctors, each of the Key Doctors will be minority shareholders in DA and will collectively hold less than five per cent. of the total issued shares in the capital of DA on a fully-diluted basis immediately following such subscription and DA’s upcoming equity fundraising. As minority shareholders, the Key Doctors will also not be entitled to appoint any directors on DA’s board of directors.

Each of the Reinvestment Undertaking Shareholders will also waive their right to any increase in the Offer Price which may be announced from time to time by or on behalf of the Offeror.

Further, each of the Key Doctors has agreed to extend the period of his employment with the Group for a period of five years from the closing date under the Reinvestment Agreement, on substantively similar terms as their existing employment terms (which terms include restrictive covenants on the Key Doctors). In that regard, each of the Key Doctors has agreed that if he resigns during his employment term (other than as a result of certain agreed exceptions such as a medical event or death), the Offeror will have the ability to require that Key Doctor to buy back a certain number of Shares at an agreed price, which will be a premium to the Offer Price.

As at the Latest Practicable Date, the Reinvestment Undertaking Shareholders collectively hold 435,250,161 Shares, representing approximately 75.25 per cent. of the total number of Shares. Details of the Shares held by the Reinvestment Undertaking Shareholders that will be tendered in acceptance of the Offer are set out below:

No.	Name of Reinvestment Undertaking Shareholder	No. of Shares to be tendered in acceptance of the Offer	Percentage of the total number of Shares (%)
1.	AHS Investments Holdings Pte. Ltd. ⁽¹⁾	235,807,000	40.77%
2.	Cheng Ching Li	49,310,528	8.53%
3.	Ho Siew Hong	41,267,103	7.14%
4.	Lim Tet Chen Roy	35,922,857	6.21%
5.	Khoo Shih Wee @ Lawrence Khoo	31,798,975	5.50%
6.	Ng Tay Meng	27,386,455	4.74%
7.	Seah Sheng Heang Geoffry	13,757,243	2.38%
Total		435,250,161	75.25% ⁽²⁾

Notes:

(1) AHS is wholly owned by Chin Pak Lin, Su Hsien Ching David, Tan Chyn Hong and Yue Wai Mun.

(2) Rounded to the nearest two decimal places. Any discrepancies in this table between the listed amounts and the totals thereof are due to rounding.

7.2 Other Irrevocable Undertakings. Each of:

7.2.1 Vanda 1 Investments Pte. Ltd.;

7.2.2 Encyclia 1 Investments Pte. Ltd.;

7.2.3 Sian Chay Medical Institution;

7.2.4 Wuthelam Holdings Pte Ltd; and

7.2.5 Dr. Lim Cheok Peng,

(collectively, the “**Other Undertaking Shareholders**”, and together with the Reinvestment Undertaking Shareholders, the “**Undertaking Shareholders**”) has given an irrevocable undertaking (collectively, the “**Other Irrevocable Undertakings**”, and together with the Reinvestment Irrevocable Undertakings, the “**Irrevocable Undertakings**”) to the Offeror to tender all the Shares that it is the legal and beneficial owner of as at the date of the Other Irrevocable Undertakings (“**Other Undertaking Shareholders’ Current Shares**”), any other Shares which it may subsequently acquire by way of bonus issue, rights issue, dividend or distribution of Shares or otherwise declared or issued by the Company in respect of the Other Undertaking Shareholders’ Current Shares on or after the date of the Other Irrevocable Undertakings, and any other Shares which it may after the date of the Other Irrevocable Undertakings acquire (directly or indirectly or through a

nominee) or of which it may after the date of the Other Irrevocable Undertakings become the legal and/or beneficial owner or in which it may after the date of the Other Irrevocable Undertakings have an interest (as defined in Section 7 of the Companies Act) which it controls, in acceptance of the Offer in accordance with the procedures prescribed in the Offer Document and the relevant form(s) of acceptance accompanying it.

As at the Latest Practicable Date, the Other Undertaking Shareholders collectively hold 68,851,085 Shares, representing approximately 11.90 per cent. of the total number of Shares. Details of the Shares held by the Other Undertaking Shareholders that will be tendered in acceptance of the Offer are set out below:

No.	Name of Other Undertaking Shareholder	No. of Shares to be tendered in acceptance of the Offer	Percentage of the total number of Shares (%)
1.	Vanda 1 Investments Pte. Ltd.	6,067,297	1.05
2.	Encyclia 1 Investments Pte. Ltd.	18,726,591	3.24
3.	Sian Chay Medical Institution	30,864,197	5.34
4.	Wuthelam Holdings Pte Ltd	5,900,000	1.02
5.	Dr. Lim Cheok Peng	7,293,000	1.26
Total		68,851,085	11.90⁽¹⁾

Note:

(1) Rounded to the nearest two decimal places. Any discrepancies in this table between the listed amounts and the totals thereof are due to rounding.

Taken together with the Reinvestment Irrevocable Undertakings the Offeror has obtained Irrevocable Undertakings from Undertaking Shareholders collectively holding 504,101,246 Shares, representing approximately 87.16 per cent. of the total number of Shares.

7.3 Termination. The Irrevocable Undertakings will terminate or lapse upon the earlier of:

7.3.1 the Offer being withdrawn or lapsing;

7.3.2 (in the case of the Reinvestment Irrevocable Undertakings and the Other Irrevocable Undertakings given by Vanda 1 Investments Pte. Ltd. and Encyclia 1 Investments Pte. Ltd. only) the Offeror failing to release the Offer Announcement within five Business Days from the date of the Irrevocable Undertakings or such other date as may be extended by the mutual written agreement of the Offeror (on the one hand) and the relevant Undertaking Shareholder (on the other hand), subject to the requirements of the Code; or 7.3.3 the Offer not being formally made by the Offeror (by the despatch of the Offer Document) within the time period prescribed under the Code (or such later date as the SIC may permit).

- 7.4 SIC Confirmation.** Pursuant to an application made to the SIC to seek certain rulings in relation to the Offer, the SIC has confirmed that the Reinvestments under the Reinvestment Agreement and the Reinvestment Irrevocable Undertakings do not constitute a special deal prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.
- 7.5 No Undertakings.** As at the Latest Practicable Date, save for the Irrevocable Undertakings, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer.”

5. RATIONALE FOR THE OFFER

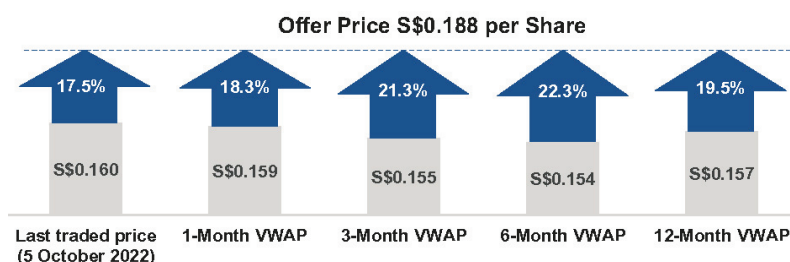
The full text of the rationale for the Offer has been extracted from Section 8 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“8. RATIONALE FOR THE OFFER

8.1 Opportunity for Shareholders to Exit their Investment in the Shares at an Attractive Valuation without Incurring Brokerage and other Trading Costs.

8.1.1 The Offer price represents a premium to current and historical market prices.

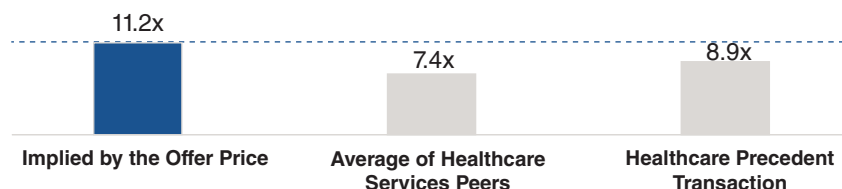
The Offer Price represents a premium of approximately 18.3 per cent., 21.3 per cent., 22.3 per cent. and 19.5 per cent. over the VWAP per Share for the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day, and a premium of approximately 17.5 per cent. over the closing price per Share of S\$0.160 as quoted on the SGX-ST on the Last Trading Day. The Offer represents an attractive cash exit opportunity for the Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, without incurring brokerage and other trading costs.



8.1.2 The Company's valuation multiples implied by the Offer Price are above trading peers and precedent transaction

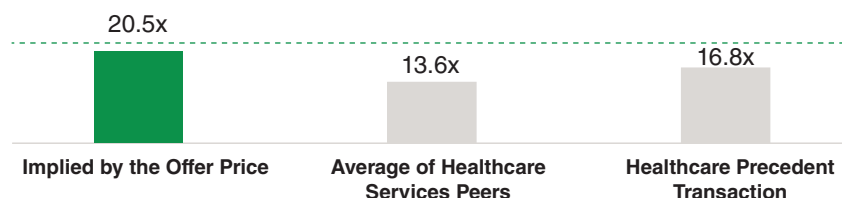
The implied valuation metrics for the Company's (i) enterprise value ("EV") as a percentage of last twelve months ("LTM") earnings before interest, tax, depreciation and amortisation ("EBITDA") (i.e., "EV/EBITDA") and (ii) price-to-earnings ("P/E") ratio compare favourably against its trading peers and precedent transaction.

LTM EV/EBITDA Multiple



The LTM EV/EBITDA implied by the Offer Price of 11.2x is above the LTM EV/EBITDA of trading peers of 7.4x and precedent transaction of 8.9x.

LTM P/E Multiple



The LTM P/E implied by the Offer Price of 20.5x is above the LTM P/E of trading peers of 13.6x and precedent transaction of 16.8x.

Please refer to **Section 12.2** of this Offer Document for further details on the financial evaluation of the Offer Price.

8.2 Low Trading Liquidity. The trading volume of the Shares has been generally low, with an average daily trading volume¹ of approximately 14,450 Shares, 17,639 Shares, 15,521 Shares and 22,516 Shares during the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day. Each of these represents less than approximately 0.004 per cent. of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.

Similarly, the trading value of the Shares has been low, with an average daily trading value² of approximately S\$2,295, S\$2,735, S\$2,386 and S\$3,543 during the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day.

The low trading liquidity may not provide Shareholders with sufficient opportunity to efficiently exit their investments in the Company. Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

8.3 ***Costs of Maintaining Listing Status.** In maintaining its listed status, the Company incurs compliance and associated costs relating to continuing listing requirements under the Catalist Rules. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses and costs relating to the maintenance of a listed status and channel such resources to its business operations.*

8.4 ***Greater Management Flexibility.** The Offeror is making the Offer with a view to delist the Company from the SGX-ST and exercise its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and optimise the use of the Company's management and resources.*

¹ *The average daily trading volume is computed based on the total volume of Shares traded divided by the number of market days, being days which the SGX-ST is open for the trading of securities, with respect to the one-month period, three-month period, six-month period and twelve-month period up to and including the Last Trading Day.*

² *The average daily trading value is computed based on the total value of Shares traded divided by the number of market days, being days which the SGX-ST is open for the trading of securities, with respect to the one-month period, three-month period, six-month period and twelve-month period up to and including the Last Trading Day."*

6. DA'S AND OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of DA's and Offeror's intentions for the Company has been extracted from Section 9 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"9. DA'S AND OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

9.1 *DA believes that the acquisition of the Company and its businesses, through the Offeror, its indirectly wholly owned subsidiary, presents an opportunity for DA to vertically integrate into secondary care, allowing it to supply higher acuity healthcare services directly to the demand that it continues to aggregate across its geographies. The expansion of its services along the healthcare continuum will enhance the value proposition to its users and patients, in-line with its vision to become the leading tech-enabled omnichannel healthcare provider in Southeast Asia.*

9.2 *The Offeror intends for the Company to continue its existing business activities and there are currently no plans to (i) introduce any major changes to the business of the Company, (ii) re-deploy any of the fixed assets of the Company or (iii) discontinue the employment of any of the existing employees of the Company or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Company."*

7. COMPULSORY ACQUISITION AND LISTING STATUS

The full text of the intentions of the Offeror relating to the compulsory acquisition and listing status of the Company has been extracted from Sections 10 and 11 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“10. COMPULSORY ACQUISITION

10.1 Compulsory Acquisition Rights. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires the Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders, the Offeror intends to exercise such right. In such event, the Company will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist the Company from the SGX-ST.

10.2 Dissenting Shareholders’ Rights. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

11. LISTING STATUS OF THE COMPANY

11.1 Listing Status of the Company. Under Rule 723 of the Catalist Rules, the Company must ensure that at least 10 per cent. of the total number of the Shares (excluding Shares held in treasury) is at all times held by the public.

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90 per cent. of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10 per cent. of the total number of issued Shares (excluding Shares held in treasury) are held by at least 200 Shareholders who are members of the public.

Further, Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding Shares held in treasury), causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10 per cent., the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

11.2 *Intention of the Offeror. The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.*

In addition, the Offeror intends, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Catalist Rules and the Code.

8. FINANCIAL EVALUATION OF THE OFFER

The full text of the financial evaluation of the Offer has been extracted from Section 12 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“12. FINANCIAL EVALUATION OF THE OFFER

12.1 *The Offer Price represents the following premia over the historical traded prices of the Shares:*

Description	Benchmark Price (S\$)⁽¹⁾⁽²⁾	Premium over Benchmark Price (%)⁽³⁾
<i>Last traded price per Share as quoted on the SGX-ST on the Last Trading Day, being S\$0.160</i>	<i>0.160</i>	<i>17.5</i>
<i>VWAP per Share for the one-month period up to and including the Last Trading Day</i>	<i>0.159</i>	<i>18.3</i>
<i>VWAP per Share for the three-month period up to and including the Last Trading Day</i>	<i>0.155</i>	<i>21.3</i>
<i>VWAP per Share for the six-month period up to and including the Last Trading Day</i>	<i>0.154</i>	<i>22.3</i>
<i>VWAP per Share for the twelve-month period up to and including the Last Trading Day</i>	<i>0.157</i>	<i>19.5</i>

Notes:

- (1) Based on data extracted from Bloomberg L.P..
- (2) Rounded to the nearest three decimal places.
- (3) For the purposes of the table above, all percentage figures are rounded to the nearest one decimal place.

12.2 The implied valuation metrics for the Company based on the Offer Price as compared to trading peers and precedent transaction are set out in the table below.

Description	LTM EV/EBITDA⁽¹⁾	LTM P/E⁽¹⁾
<i>Multiples implied by the Offer Price</i>	<i>11.2x</i>	<i>20.5x</i>
<i>Average multiples of healthcare services peers⁽²⁾</i>	<i>7.4x</i>	<i>13.6x</i>
<i>Healthcare precedent transaction⁽³⁾</i>	<i>8.9x</i>	<i>16.8x</i>

Notes:

- (1) Multiples data extracted from Bloomberg L.P. on the Last Trading Day, and rounded to the nearest one decimal place.
- (2) Healthcare services peers comprise Alliance Healthcare Group Limited, HC Surgical Specialists Limited, Healthway Medical Corporation Limited, ISEC Healthcare Ltd., Q & M Dental Group (Singapore) Limited, Singapore Paincare Holdings Limited and TalkMed Group Limited.
- (3) Healthcare precedent transaction comprise the voluntary unconditional cash offer for Singapore O&G Ltd. by NewMedCo Group Ltd. (delisted from SGX-ST on 17 June 2022)."

9. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by DBS as set out in Section 13 of the Offer Document has been extracted from the Offer Document and is set out in italics below.

"13. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full, all acceptances in respect of the Offer on the basis of the Offer Price, excluding the Reinvestment Amount to be reinvested under the Reinvestments."

10. DISCLOSURE OF SHAREHOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

The full text of the disclosure of shareholdings, dealings and other arrangements of the Offeror, its directors and other parties acting in concert with the Offeror as set out in Section 14 of the Offer Document has been extracted from the Offer Document and is set out in italics below.

"14. DISCLOSURE OF SHAREHOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

14.1 ***Holdings of and Dealings in Shares.** As at the Latest Practicable Date, none of the Offeror, its directors and other parties acting in concert with the Offeror:*

14.1.1 *owns, controls or has agreed to acquire any Company Securities; or*

14.1.2 *has dealt for value in any Company Securities during the Reference Period.*

14.2 **Other Arrangements.** *In connection with the Offer, the Offeror has entered into a facility agreement with DBS as lender. Under the facility agreement, DBS has agreed to make available to the Offeror Singapore dollar loan facilities which may be utilised for the purposes of, inter alia, funding the Offeror in connection with the Offer (the “Facilities”).*

There will be certain security arrangements entered into in connection with the Facilities made available by DBS, including a charge over all of the Shares acquired by the Offeror pursuant to the Offer, in favour of DBS.

Save as set out above, as at the Latest Practicable Date, none of the Offeror and parties acting in concert with it has, in respect of any Company Securities:

14.2.1 *granted a security interest to another person, whether through a charge, pledge or otherwise;*

14.2.2 *borrowed from another person (excluding borrowed securities which have been on-lent or sold); or*

14.2.3 *lent to another person. In addition, save as disclosed in this Offer Document none of the Offeror and, to the best of the Offeror’s knowledge, parties acting in concert with it, has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares in the Company or Company Securities which might be material to the Offer.”*

11. DIRECTORS’ INTERESTS

Details of the Directors including, inter alia, the Directors’ direct and deemed interest in the Company Securities as at the Latest Practicable Date are set out in Appendix III to this Circular.

12. ADVICE AND RECOMMENDATION IN RELATION TO THE TERMS OF THE REINVESTMENTS AND THE OFFER

12.1 Appointment of IFA

Xandar Capital has been appointed as the independent financial adviser to advise the Recommending Directors in respect of the Offer.

12.2 Evaluation of the terms of the Reinvestments

As set out in Section 7.4 of the Offer Document, pursuant to an application made to the SIC to seek certain rulings in relation to the Offer, the SIC has confirmed that the Reinvestments under the Reinvestment Agreement and the Reinvestment Irrevocable Undertakings do not constitute a special deal prohibited under Rule 10 of the Code, subject to the IFA publicly stating in its opinion that the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

The IFA Rule 10 Letter setting out the opinion of the IFA on the terms of the Reinvestments is set out in Appendix II to this Circular. The key considerations relied upon by the IFA in arriving at its opinion are set out in paragraph 6 of the IFA Rule 10 Letter.

12.3 Advice of the IFA on the terms of the Reinvestments

Based on the IFA's assessment of the information available to the IFA (including the key terms of the Reinvestments), the IFA has opined that the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code. The opinion set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Rule 10 Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Rule 10 Letter, unless otherwise stated.

"Having carefully considered the information available to us (including the key terms of the Reinvestments) and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Reinvestments, are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

We summarise the key factors we have taken into our consideration as follows:

- (i) the Reinvestments are intended to serve as a disincentive to the Key Doctors from leaving DA;*
- (ii) the Key Doctors are subject to additional restrictions relating to the Offer Price and their Shares;*
- (iii) DA Group has reported significant losses for its past three completed financial years;*
- (iv) based on the Reinvestment Amount and the estimated shareholdings of the Key Doctors in DA after the Closing Date, we calculate the price-to-sales ratio implied by the subscription of the New DA Shares to be higher than the range of the price-to-sales ratio of listed tele-health companies as at the Latest Practicable Date; and*
- (v) other considerations as set out in paragraph 6.5 of this IFA Rule 10 Letter."*

12.4 Independence of Directors

Mr. Leow Chung Chong Yam Soon, Mr. Siek Wei Ting, Mr. Vikram Nair and Mr. Yeo Wee Kiong (collectively, the "**Recommending Directors**") are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.

The SIC had on 4 November 2022 ruled that Dr. Chin Pak Lin, Dr. Yue Wai Mun and Dr. Cheng Ching Li (collectively, the "**Non-Recommending Directors**") are exempted from the requirement under Rule 24.1 of the Code to make a recommendation to the Shareholders in respect of the Offer, as each of them may face, or may reasonably be perceived to face, a conflict of interest in relation to the Offer by reason of the Reinvestment Irrevocable Undertakings, Reinvestments and Moratorium Waiver.

Notwithstanding such exemption, each of the Non-Recommending Directors will assume responsibility for the accuracy of facts stated and opinions expressed in documents, announcements and/or advertisements issued by or on behalf of the Company in connection with the Offer.

Shareholders should read and consider carefully the advice of Xandar Capital to the Recommending Directors in respect of the Offer as set out in the IFA Letter and the recommendation of the Recommending Directors set out in Section 12.7 below before deciding whether or not to accept the Offer.

12.5 Evaluation of the Offer by the IFA

The IFA Letter setting out the advice and recommendations of the IFA to the Recommending Directors in respect of the Offer is set out in Appendix I to this Circular. The key considerations relied upon by the IFA in arriving at its advice to the Recommending Directors are set out in paragraph 8 of the IFA Letter.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Recommending Directors, in conjunction with, and in the context of the full text of the IFA Letter.

12.6 Advice of the IFA to the Recommending Directors on the Offer

Based on the IFA's assessment of the Offer, the IFA has advised the Recommending Directors on its considerations set out in paragraph 9 of the IFA Letter and reproduced in italics below. The advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Offer:

Factors for the Offer Price

- (a) the Shares consistently closed below the Offer Price for the period between 20 April 2021 and the Latest Practicable Date;*
- (b) the Offer Price represents premia (of between 1.7% and 22.3%) to the VWAPs of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day and on the Last Trading Day which ranged between S\$0.154 and S\$0.185 per Share;*
- (c) the Offer Price is also higher and represents a premium of 8.0% to the highest traded price of the Shares of S\$0.174 per Share for the 12-month period prior to and including the Last Trading Day;*
- (d) while the Shares had low trading liquidity prior to the Offer Announcement Date, the Shares were traded rather regularly on more than 58% of the market days which the SGX-ST were open for trading. Hence, the trading prices of the Share can be considered as relatively fair representation of the value of the Shares;*
- (e) the P/E ratio of the Company as implied by the Offer Price is higher than the range of P/E ratios of the Comparable Companies;*
- (f) the EV/EBITDA ratio and P/NTA ratio of the Company as implied by the Offer Price are within the range and higher than the mean and median corresponding ratios of the Comparable Companies;*

- (g) *the P/E ratio, EV/EBITDA ratio and P/NTA ratio of the Company as implied by the Offer Price are higher than the corresponding privatisation ratios of Singapore Medical Group Ltd (ongoing as at the Latest Practicable Date) and Singapore O&G Ltd (completed in first half of 2022);*
- (h) *the premium of the Offer Price over the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP are within the range of premia represented by the offer price of the Privatisation Transactions; and*
- (i) *the Offer Price is within the estimated range of values of the Shares set out in paragraph 8.7 of this IFA Letter.*

Factors against the Offer Price

- (i) *the premium of the Offer Price over the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP are lower than the mean and median premia represented by the offer price of the Privatisation Transactions.*

We set out below a summary of the key factors we have taken into our consideration when assessing the “reasonableness” of the Offer:

Factors for the Offer Price

- (I) *Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in alternative investments; and*
- (II) *other considerations set out in paragraph 8.8 of this IFA Letter.*

Factors against the Offer Price

None.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.”

12.7 Recommendation of the Recommending Directors

The Recommending Directors, having considered carefully the terms of the Offer and the advice and recommendations given by the IFA to the Recommending Directors in the IFA Letter, concur with the advice and recommendation of the IFA in respect of the Offer. **Accordingly, the Recommending Directors adopt the recommendations in respect of the Offer as set out in Section 12.6 above and recommend that Shareholders accept the Offer.**

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are also advised to read and consider carefully the recommendation of the Recommending Directors and the IFA Letter set out in Appendix I to this Circular in their entirety before deciding whether to accept or reject the Offer. Shareholders should note that the IFA’s advice to the Recommending Directors and the recommendations of the Recommending Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of the IFA's review.

In rendering the above advice and making the above recommendation, the IFA and the Recommending Directors have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. **As different Shareholders would have different investment profiles and objectives, the Recommending Directors recommend that any individual Shareholder who may require specific advice in relation to his/her investment portfolio or objectives and/or the Offer should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

The Recommending Directors do not express any view or make any recommendation on, the Reinvestments under the Reinvestment Agreement and Reinvestment Irrevocable Undertakings.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders who **wish to accept** the Offer must do so not later than **5.30 p.m. (Singapore time) on Thursday, 15 December 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror**. There are different procedures for acceptance for Depositors whose Securities Accounts are or will be credited with Shares and for Shareholders who hold Shares in scrip form. Shareholders who wish to accept the Offer should take note of the **"Procedures for Acceptance"** set out in Appendix 2 to the Offer Document.

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document and the FAA and/or FAT which have been sent to them.

14. ELECTRONIC DISSEMINATION OF THIS CIRCULAR

Pursuant to the SIC's Public Statement on the Further Extension of Temporary Measure to Allow for Electronic Dissemination of Rights Issue and Take-over Documents on 29 June 2021, the Company has electronically disseminated this Circular through publication on the websites of the SGX-ST and the Company. Accordingly, please note that no printed copies of the Circular will be despatched to Shareholders.

The Notice containing instructions on how the Shareholders can locate this Circular electronically has been despatched by post to the Shareholders.

Electronic versions of this Circular are available on the website of the SGX-ST at <http://www.sgx.com>. and on the Company's corporate website at <https://asianhealthcare.com.sg>.

15. OVERSEAS SHAREHOLDERS

Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the Depository Register (each, an “**Overseas Shareholder**”) should refer to Section 16 of the Offer Document, an extract of which is set out in italics below.

“16. OVERSEAS SHAREHOLDERS

16.1 Overseas Shareholders. *The Notice, this Offer Document, the relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in the Notice, this Offer Document, the relevant Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law.*

For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom the Notice, this Offer Document, the relevant Acceptance Forms and/or any related documents may not be sent.

The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

16.2 Copies of Documents. *Where there are potential restrictions on sending the Notice, this Offer Document, the relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and DBS each reserves the right not to send the Notice, this Offer Document, the relevant Acceptance Forms and/or any related documents to such overseas jurisdictions. Any affected Overseas Shareholder may nonetheless obtain copies of the Notice, the relevant Acceptance Forms and/or any related documents during normal business hours from (i) CDP (if he is a Depositor) by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com); or (ii) the office of the Receiving Agent (if he is holding Shares which are not deposited with CDP (“**in scrip form**”)) at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. Alternatively, an affected Overseas Shareholder may write to CDP (if he is a Depositor) or the Receiving Agent (if he is holding Shares in scrip form) to request for the Notice, the relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date. Electronic copies of the Notice, this Offer Document and the Acceptance Forms may also be obtained from the website of the SGX-ST at <https://www.sgx.com> or the Company’s corporate website at <https://asianhealthcare.com.sg>.*

16.3 Overseas Jurisdiction. *It is the responsibility of any Overseas Shareholder who wishes to (i) request for the Notice, the relevant Acceptance Forms and/or any related documents and/or (ii) accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements.*

Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, DA, DBS, CDP, the Receiving Agent and/or any other person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such

taxes, imposts, duties or other requisite payments as the Offeror, DA, DBS, CDP, the Receiving Agent and/or any other person acting on its behalf may be required to pay. In (a) requesting for the Notice, the relevant Acceptance Forms and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, DA, DBS, CDP and/or the Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

16.4 Notice. *The Offeror and DBS each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all of the Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement or advertisement.”*

The Constitution provides that any notice or document may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid cover addressed to such Shareholder at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. The Constitution further provides that any Shareholder described in the Register of Members or the Depository Register (as the case may be) by an address not within Singapore who shall from time to time give notice in writing to the Company or the Depository of an address within Singapore at which notices, communications and/or documents may be served upon him shall be entitled to have served upon him at such address any notice, communications and/or documents to which he would be entitled under this Constitution but, save as aforesaid, no Shareholder other than a Shareholder with a registered address within Singapore shall be entitled to receive any notice, communications and/or documents from the Company.

Accordingly, due to potential restrictions on sending this Circular to overseas jurisdictions and the electronic dissemination of this Circular, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may, nonetheless (subject to compliance with applicable laws), download electronic copies of this Circular on the website of the SGX-ST at <http://www.sgx.com>. or on the Company's corporate website at <https://asianhealthcare.com.sg>.

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

16. INFORMATION PERTAINING TO SRS INVESTORS

As set out in Section 17.2 of the Offer Document, SRS Investors should receive further information on how to accept the Offer from their SRS Agent Banks. SRS Investors are advised to consult their SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply

to their SRS Agent Banks by the deadline stated in the letter from their SRS Agent Banks, which may be earlier than the Closing Date.

SRS Investors who validly accept the Offer through appropriate intermediaries will receive the Offer Price payable in respect of their Offer Shares in their SRS investment accounts.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to (a) the recommendation of the Recommending Directors to Shareholders set out in Section 12.7 of this Circular which is the sole responsibility of the Recommending Directors, (b) the IFA Letters, (c) information extracted *in toto* from the Offer Document, (d) the IFA SOP Review Letter, (e) the Auditors SOP Review Letter and (f) information relating to the Offeror) are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

In respect of the IFA Letters, IFA SOP Review Letter and Auditors SOP Review Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

Where any information has been extracted from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement, Unconditional Acceptances Announcement and Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
ASIAN HEALTHCARE SPECIALISTS LIMITED

Mr. Leow Chung Chong Yam Soon
Non-Executive Chairman and Independent Director

LETTER FROM THE IFA TO THE RECOMMENDING DIRECTORS IN RESPECT OF THE OFFER



10 November 2022

ASIAN HEALTHCARE SPECIALISTS LIMITED

38 Irrawaddy Road
#09-42 Singapore 329563

Attention: The Recommending Directors (as defined herein)

VOLUNTARY CONDITIONAL CASH OFFER (THE “OFFER”) BY DBS BANK LTD. FOR AND ON BEHALF OF LABRADOR PARK PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES IN THE CAPITAL OF ASIAN HEALTHCARE SPECIALISTS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE “OFFER SHARES”)

Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the circular to shareholders of Asian Healthcare Specialists Limited (the “Company”) dated 10 November 2022 issued by the Company in connection with the Offer (the “Circular”).

1. INTRODUCTION

On 6 October 2022 (the “**Offer Announcement Date**”), DBS Bank Ltd. announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the “**Securities and Futures Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. (“**Xandar Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Offer, namely Mr. Leow Chung Chong Yam Soon, Mr. Siek Wei Ting, Mr. Vikram Nair and Mr. Yeo Wee Kiong (collectively, the “**Recommending Directors**”), to assess the terms of the Offer, and advise (a) whether the terms of the Offer are fair and reasonable; and (b) whether the holders of the Offer Shares (the “**Shareholders**”) should accept or reject the Offer.

This letter sets out, *inter alia*, our evaluation and advice in respect of the Offer (this “**IFA Letter**”), and forms part of the Circular which provides, *inter alia*, the details of the Offer as well as the recommendation of the Recommending Directors in respect of the Offer.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Recommending Directors on (a) whether the terms of the Offer are fair and reasonable; and (b) whether the Shareholders should accept or reject the Offer.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer. We are not required nor authorised to solicit, and we have not solicited, any indications of

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

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interest from any third party with respect to the Offer Shares, and therefore are not able to, and will not compare the Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future.

Our evaluation is limited to the terms of the Offer, and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Offer.

In the course of our evaluation, we have held discussions with certain Directors and management of the Company, and have examined publicly available information relating to the Company and its subsidiaries (the “Group”) as well as information provided and representations made to us by the aforesaid parties, including information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the Group’s assets and liabilities.

The Directors (including those who may have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular (other than those relating to (a) the recommendation of the Recommending Directors to Shareholders set out in Section 12.7 of the Circular which is the sole responsibility of the Recommending Directors, (b) this IFA Letter and the IFA Rule 10 Letter (as defined in paragraph 5.3(i) of this IFA Letter), (c) information extracted *in toto* from the offer document dated 27 October 2022 (the “Offer Document”), (d) the IFA SOP Review Letter (as defined in paragraph 8.3(i) of this IFA Letter), (e) the letter from KPMG LLP dated 10 November 2022 in relation to the Statement of Prospects (as defined in paragraph 8.3(i) of this IFA Letter) and (f) information relating to the Offeror) are fair and accurate and that no material facts have been omitted from the Circular, and they jointly and severally accept responsibility accordingly.

In respect of this IFA Letter as well as the IFA Rule 10 Letter and the IFA SOP Review Letter, the sole responsibility of the Directors has been to ensure that the facts stated herein or therein, as the case may be, with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the offer announcement dated 6 October 2022 (the “Offer Announcement”) and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable

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enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in the Circular.

The scope of our engagement does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group whether with or without the Offer. We have not reviewed any financial projections or forecasts of the Company or the Group and we do not express any view on the future growth prospects, financial position or earnings potential of the Company and/or the Group. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information provided to us as at 7 November 2022, being the Latest Practicable Date (the "**Latest Practicable Date**") for the Circular. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. We recommend that Shareholders who may require specific advice in relation to their Shares, investment objectives or portfolios to consult their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This IFA Letter is for the use and benefit of the Recommending Directors in connection with and for the purpose of their consideration of the Offer, and the recommendation made by the Recommending Directors shall remain their responsibility.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our advice in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Recommending Directors advise the Shareholders to read these pages carefully.



3. THE OFFER

The Offer is made in accordance with Section 139 of the Securities and Futures Act and the Code, and subject to the terms and conditions set out in the Offer Document issued by DBS Bank Ltd. for and on behalf of the Offeror and the acceptance forms accompanying the Offer Document, for all the Offer Shares.

The detailed terms and conditions of the Offer are set out in Sections 2, 3 and 4 of, and Appendices 1 and 2 to the Offer Document. We extract the following for your reference.

3.1 The Offer Shares

For and on behalf of the Offeror, DBS Bank Ltd. is making the Offer for all of the Shares in issue (excluding any treasury shares), other than those already owned, controlled or agreed to be acquired by the Offeror.

3.2 The Offer Price

For each Offer Share: S\$0.188 in cash (the "Offer Price").

3.3 Rights and Encumbrances of the Offer Shares

The Offer Shares are to be acquired:

- (i) fully paid;
- (ii) free from any claims, charges, liens, pledge, mortgages, encumbrances, declaration of trust, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal, moratorium or other third party rights or interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and/or return of capital (collectively, the "**Distributions**") announced, declared, paid or made by the Company on or after the Offer Announcement Date.

The Offer Price has been determined on the basis that the Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date. Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such Distribution where the Offeror is not entitled to receive such Distribution.



3.4 Conditions to the Offer

The Offer is subject to the following conditions:

(i) Minimum Acceptance Condition

The Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting in concert with it holding 90 per cent. or more of the total number of Shares (excluding any treasury shares) as at the close of the Offer (the "**Offer Threshold**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which will result in the Offeror and parties acting in concert with it holding such number of Shares amounting to 90 per cent. or more of the maximum potential issued share capital of the Company on the date of such declaration (the "**Minimum Acceptance Condition**"). For this purpose, the "**maximum potential issued share capital of the Company**" means the total number of Shares which would be in issue (excluding treasury shares), and if and to the extent that the Company has any outstanding instruments convertible into, rights to subscribe for, or options in respect of, Shares, had all such instruments, subscription rights and options been exercised as at the date of such declaration.

(ii) Third Party Consents

The Offeror having received, by the close of the Offer, all authorisations, consents, clearances, permissions, waivers and approvals as are necessary or required by the Group from the landlords of premises leased by Group companies, for or in respect of the Offer (the "**Third Party Consents Condition**").

If the Third Parties Consents Condition is not satisfied (or waived by the Offeror), the Offeror may invoke the non-satisfaction of the Third Party Consents Condition so as to cause the Offer to lapse, subject to the Offeror consulting with the Securities Industry Council (the "**SIC**") and obtaining its prior approval.

Save for the Offer Threshold and the Third Party Consents Condition, the Offer is unconditional in all other respects.

We note from the announcement dated 9 November 2022 made by DBS Bank Ltd. for and on behalf of the Offeror that, as at 6.00 p.m. (Singapore time) on 8 November 2022, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror and the Offeror's Concert Parties holding more than 90 per cent. of the total number of Shares (excluding any treasury shares), accordingly, the Minimum Acceptance Condition has been satisfied. However, the Third Party Consents Condition has not been satisfied yet and accordingly, the Offer has not become unconditional in all respects as at 9 November 2022.

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4. INFORMATION ON THE COMPANY

The Company was incorporated under the laws of Singapore on 27 September 2017 and was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 April 2018.

The principal activities of the Company are those of an investment holding company and management consultancy services. The Group is a multidisciplinary medical services group providing an extended range of medical services such as anaesthesia, dermatology, family medicine, gastroenterology, ophthalmology, orthopaedics, otorhinolaryngology, rehabilitation and urology. The Group currently has 14 medical specialists in different divisions, one family physician and one physiotherapist, located at 12 clinics in Singapore.

As at the date of the Circular, the Directors of the Company are:

- (i) Dr. Chin Pak Lin;
- (ii) Dr. Yue Wai Mun;
- (iii) Dr. Cheng Ching Li;
- (iv) Mr. Leow Chung Chong Yam Soon;
- (v) Mr. Siek Wei Ting;
- (vi) Mr. Vikram Nair; and
- (vii) Mr. Yeo Wee Kiong.

Dr. Chin Pak Lin, Dr. Yue Wai Mun and Dr. Cheng Ching Li are among the 10 key doctor who have given irrevocable undertakings to the Offeror. Please see Section 7 of the Offer Document and paragraph 5.3 of this IFA Letter for further information relating to the irrevocable undertakings.

5. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

5.1 ABOUT THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Singapore and indirectly wholly owned by Doctor Anywhere Pte. Ltd. (“**DA**”) for the purposes of the Offer.

As at 20 October 2022, being the latest practicable date for the Offer Document:

- (i) the Offeror has an issued and paid-up share capital of S\$1 comprising 1 ordinary share held by DA Alexandra Pte. Ltd., a wholly owned subsidiary of DA;

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- (ii) the board of directors of the Offeror comprises three members of the management of DA, namely Mr. Lim Wai Mun (the founder, chief executive officer and chairman of DA and the sole executive director of DA), Mr. Ng Chen Xuan (the senior manager for corporate development of DA), and (iii) Ms. Melissa Marie Tan Shu Ling (the legal director of DA); and
- (iii) the Offeror does not hold any interest in any of the Shares.

Information on the Offeror is set out in Section 5.1 of, and Appendix 3 to, the Offer Document.

5.2 ABOUT DA

DA is a regional tech-enabled, omnichannel healthcare company, on a mission to make healthcare simple, accessible, and efficient for everyone. DA's digital platform bridges gaps in the healthcare ecosystem through technology and innovation, enabling users to manage their health easily and effectively through the DA mobile app. Headquartered in Singapore and with a presence in six countries across the region (Singapore, Malaysia, Vietnam, Thailand, Philippines and Indonesia), DA now serves approximately 2.5 million users across Southeast Asia. DA's shareholders include growth equity investor Asia Partners, EDBI, IHH Healthcare, Kamet Capital, Novo Holdings, OSK-SBI Venture Partners, Pavilion Capital, Philips and Square Peg.

The board of directors of DA comprises five members, consisting of Mr. Lim Wai Mun, Mr. Kerry Goh Siow Hong, Mr. Tushar Roy, Mr. Amit Kakar and Mr. Oliver Minho Rippel.

As at 20 October 2022, being the latest practicable date for the Offer Document, DA does not hold any interest in any of the Shares.

5.3 UNDERTAKINGS RECEIVED BY THE OFFEROR

As at the date of the Offer Document, the Offeror has received the following irrevocable undertakings:

(i) Reinvestment Irrevocable Undertakings

10 Shareholders, who are also doctors in the Group (including three (3) directors of the Company) (the "**Key Doctors**"), have given irrevocable undertakings (collectively, the "**Reinvestment Irrevocable Undertakings**") to the Offeror as follows:

- (a) they will tender all the Shares that he/it is the legal and beneficial owner of as at the date of the Reinvestment Irrevocable Undertakings (the "**Current Shares**"), any other Shares which he/it may subsequently acquire by way of bonus issue, rights issue, dividend or distribution of Shares or otherwise declared or issued by the Company in respect of the Current Shares on or after the date of the Reinvestment Irrevocable Undertakings, and any other Shares which he/it may after the date of the Reinvestment Irrevocable Undertakings acquire (directly or indirectly or through a nominee) or of which he/it may after the date of the Reinvestment Irrevocable Undertakings become the legal and/or beneficial owner or in which he/it may after the date

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of the Reinvestment Irrevocable Undertakings have an interest (as defined in Section 7 of the Companies Act 1967 of Singapore (the “**Companies Act**”)) which he/it controls, in acceptance of the Offer in accordance with the procedures prescribed in the Offer Document and the relevant form(s) of acceptance accompanying it; and

- (b) reinvest 35 per cent. of the amount of the aggregate Offer Price agreed to be received by him/it in respect of his/its Shares (the “**Reinvestment Amount**”) to subscribe for (or in the case of a Key Doctor who holds Shares through a vehicle, to make payment for his subscription of) new ordinary shares in the capital of DA (the “**New DA Shares**”), in accordance with a reinvestment agreement entered into with DA and the Offeror (the “**Reinvestment Agreement**”, and such reinvestment arrangements, the “**Reinvestments**”).

The names of the Key Doctors and their respective Shares which are subject of the Reinvestment Irrevocable Undertakings are as follows:

Names of Key Doctors	Number of Current Shares
Dr. Chin Pak Lin (holding Shares through AHS Investments Holdings Pte. Ltd. (“ AHSIH ”))	58,951,750
Dr. Su Hsien Ching David (holding Shares through AHSIH)	58,951,750
Dr. Tan Chyn Hong (holding Shares through AHSIH)	58,951,750
Dr. Yue Wai Mun (holding Shares through AHSIH)	58,951,750
Dr. Cheng Ching Li	49,310,528
Dr. Ho Siew Hong	41,267,103
Dr. Lim Tet Chen Roy	35,922,857
Dr. Khoo Shih Wee @ Lawrence Khoo	31,798,975
Dr. Ng Tay Meng	27,386,455
Dr. Seah Sheng Heang Geoffry	13,757,243
Total	435,250,161

The total number of Shares under the Reinvestment Irrevocable Undertakings, being 435,250,161 Shares, represents approximately 75.25% of the issued share capital of the Company. The total amount to be received by Key Doctors under the Reinvestment Irrevocable Undertakings is approximately S\$81.83 million, out of which approximately S\$28.64 million (being 35% of the total amount) will be reinvested to subscribe for the New DA Shares in accordance with the Reinvestment Agreement.

Pursuant to an application made to the SIC to seek certain rulings in relation to the Offer, the SIC has confirmed that the Reinvestments under the Reinvestment Agreement and the Reinvestment Irrevocable Undertakings do not constitute a special deal prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

Our letter in relation to the terms of the Reinvestments (the “**IFA Rule 10 Letter**”) is appended as Appendix II to the Circular.

(ii) Other Irrevocable Undertakings

The following Shareholders have also given irrevocable undertaking (collectively, the “**Other Irrevocable Undertakings**” to the Offeror to tender all the Shares that it is the legal and beneficial owner of as at the date of the Other Irrevocable Undertakings (“**Other Undertaking Shareholders’ Current Shares**”), any other Shares which it may subsequently acquire by way of bonus issue, rights issue, dividend or distribution of Shares or otherwise declared or issued by the Company in respect of the Other Undertaking Shareholders’ Current Shares on or after the date of the Other Irrevocable Undertakings, and any other Shares which it may after the date of the Other Irrevocable Undertakings acquire (directly or indirectly or through a nominee) or of which it may after the date of the Other Irrevocable Undertakings become the legal and/or beneficial owner or in which it may after the date of the Other Irrevocable Undertakings have an interest (as defined in Section 7 of the Companies Act) which it controls, in acceptance of the Offer in accordance with the procedures prescribed in the Offer Document and the relevant form(s) of acceptance accompanying it:

Names of Shareholders	Number of Other Undertaking Shareholders’ Current Shares
Dr. Lim Cheok Peng	7,293,000
Encyclia 1 Investments Pte. Ltd.	18,726,591
Sian Chay Medical Institution	30,864,197
Vanda 1 Investments Pte. Ltd.	6,067,297
Wuthelam Holdings Pte. Ltd.	5,900,000
Total	68,851,085

The total number of Shares under the Other Irrevocable Undertakings, being 68,851,085 Shares, represents approximately 11.90% of the issued share capital of the Company.

Accordingly, as at the date of the Offer Document, the Offeror has received undertakings aggregating 504,101,246 Shares, or approximately 87.16% of the issued share capital of the Company.



5.4 LEVEL OF ACCEPTANCES

We note that DBS Bank Ltd. has announced for and on behalf of the Offeror that, as at 6.00 p.m. (Singapore time) on 8 November 2022, the Offeror has received valid acceptances (which have not been withdrawn) amounting to an aggregate of 521,390,138 Shares, representing approximately 90.15% of the total number of Shares.

6. THE OFFEROR'S RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer set out in Section 8 of the Offer Document. We summarise as follows:

- (i) the Offer represents an attractive cash exit opportunity for the Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, without incurring brokerage and other trading costs;
- (ii) the LTM (being "**last 12 months**") and price-earnings ("**P/E**") ratio implied by the Offer Price of 20.5 times is above the LTM P/E ratio of trading peers of 13.6 times and precedent transaction of 16.8 times (based on multiples on the Last Trading Day);
- (iii) given the low trading liquidity of the Shares, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, an option which may not otherwise be readily available due to the low trading liquidity of the Shares;
- (iv) in the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses and costs relating to the maintenance of a listed status and channel such resources to its business operations; and
- (iv) the Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and optimise the use of the Company's management and resources.

7. DA'S AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

DA's intention as well as the Offeror's intention in relation to the Company set out in Section 9 of the Offer Document. We extract as follows:

"DA believes that the acquisition of the Company and its businesses, through the Offeror, its indirectly wholly owned subsidiary, presents an opportunity for DA to vertically integrate into secondary care, allowing it to supply higher acuity healthcare services directly to the demand that it continues to aggregate across its geographies. The expansion of its services along the healthcare continuum will enhance the value proposition to its users and patients, in-line with its vision to become the leading tech-enabled omnichannel healthcare provider in Southeast Asia."

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The Offeror intends for the Company to continue its existing business activities and there are currently no plans to (i) introduce any major changes to the business of the Company, (ii) re-deploy any of the fixed assets of the Company or (iii) discontinue the employment of any of the existing employees of the Company or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Company."

8. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have taken into account the following factors:

- (i) market performance of the Shares;
- (ii) the financial performance of the Group;
- (iii) the financial position of the Group;
- (iv) the dividend track record of the Company;
- (v) comparison of the valuation ratios of the Company implied by the Offer Price against those of comparable companies;
- (vi) comparison of the valuation ratios of the Company implied by the Offer Price with recently completed privatisation transactions for companies listed on the SGX-ST;
- (vii) estimated range of values of the Shares; and
- (viii) other considerations.

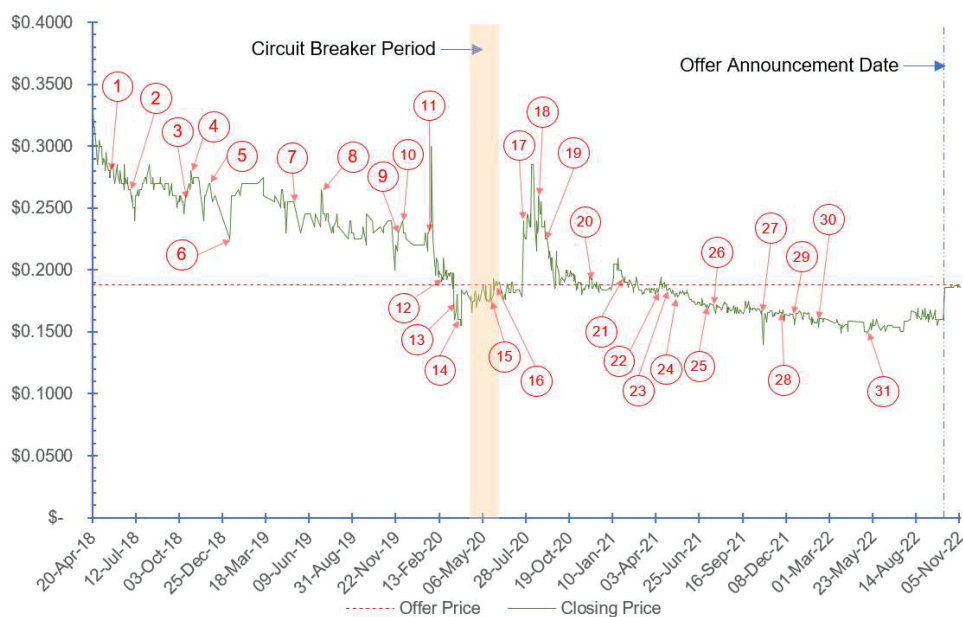
These factors are discussed in greater detail in the ensuing paragraphs.

8.1 MARKET PERFORMANCE OF THE SHARES

8.1.1 Historical closing price of the Shares

We note that the Shares were first traded on the Catalist Board of the SGX-ST on 20 April 2018. Since its listing up to the Offer Announcement Date, the Company allotted and issued an aggregate of 288,370,195 Shares for various corporate actions including but not limited to (i) the acquisition of Asian Anaesthesia Care Pte. Ltd. in November 2018; (ii) the acquisition of Cornerstone Asia Health Pte. Ltd. in February 2020 and July 2021; and (iii) fund raising exercises in September 2020, April 2021 and December 2021.

We set out a chart comparing the Offer Price with the daily closing prices of the Shares for the period commencing from 20 April 2018 (being the first day of trading of the Shares) up to the Latest Practicable Date as follows:



We note from the chart above that the Shares consistently closed below the Offer Price for the period between 20 April 2021 and the Latest Practicable Date.



We set out the following events announced by the Company which may have a bearing on the closing and trading prices of the Shares during the above-mentioned period:

Date / Corresponding label in the chart	Event
5 June 2018 / 1	<p>The Company announced the Group's results for the half year ended 31 March ("1H") 2018. The Group registered approximately 0.5% increase in revenue from approximately S\$5.62 million in 1H2017 to approximately S\$5.65 million in 1H2018. However, the Group's profit for the period increased by approximately 845.0% from approximately S\$151,000 in 1H2017 to approximately S\$1.43 million in 1H2018. The Company attributed the increase in profit mainly to the termination of the consultancy services agreements and the commencement of the employment agreements with four (4) doctors. The termination of the consultancy services agreements reduced the Group's expenses under purchased and contracted services by approximately 98.3% from approximately S\$3.74 million in 1H2017 to approximately S\$64,000 in 1H2018 while the commencement of the employment agreements increased the Group's staff costs by approximately 411.1% from approximately S\$334,000 in 1H2017 to approximately S\$1.71 million in 1H2018. The Group also had higher other operating expenses in 1H2018 due to expenses incurred in relation to the listing of the Company on the Catalist Board of the SGX-ST.</p> <p>The Company declared an interim dividend of S\$0.002 per Share. The ex-date for the interim dividend was 12 June 2018.</p>
2 July 2018 / 2	<p>The Company announced that a subsidiary, The Orthopaedic Centre (International) Pte. Ltd., has entered into an agreement to provide consultancy services to both outpatients and inpatients, including surgical services for patients seeking treatment at Grand Hantha International Hospital located in Yangon, Myanmar.</p>
15 October 2018 / 3	<p>The Company announced that it entered an investment agreement with Vanda 1 Investments Pte. Ltd. ("Vanda") in relation to (i) the issue of S\$5 million zero-coupon convertible bond, convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at a conversion price of S\$0.25 for each new share; and (ii) the grant of an option to be exercised in whole or in part, carrying the right to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 for each option share.</p> <p>Vanda is a Singapore incorporated company managed and controlled by Heliconia Capital Management Pte. Ltd., which is a wholly-owned Singapore subsidiary of Temasek Holdings (Private) Limited.</p>
26 October 2018 / 4	<p>The Company announced the proposed acquisition of the entire issued and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd. ("AAC") for a purchase consideration of S\$11.05 million to be satisfied in cash (S\$1 million) and the allotment and issue of 35,892,857 new ordinary shares in the capital of the Company at an issue price of S\$0.28 for each new share.</p>

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Date / Corresponding label in the chart	Event
31 October 2018	The Company announced the completion of the issue of the convertible bond and option to Vanda.
28 November 2018	The Company announced the completion of the acquisition of AAC.
29 November 2018 / 5	<p>The Company announced the Group's results for the financial year ended 30 September ("FY") 2018. The Group registered approximately 1.4% decrease in revenue from approximately S\$11.02 million in FY2017 to approximately S\$10.86 million in FY2018. However, the Group's profit for the year increased by approximately 459.8% from approximately S\$438,000 in FY2017 to approximately S\$2.45 million in FY2018. The Company attributed the increase in profit mainly to the termination of the consultancy services agreements and the commencement of the employment agreements with four (4) doctors. The termination of the consultancy services agreements reduced the Group's expenses under purchased and contracted services by approximately 97.6% from approximately S\$7.22 million in FY2017 to approximately S\$171,000 in FY2018 while the commencement of the employment agreements increased the Group's staff costs by approximately 428.2% from approximately S\$694,000 in FY2017 to approximately S\$3.67 million in FY2018. The Group also had higher other operating expenses in FY2018 due to expenses incurred in relation to the listing of the Company on the Catalist Board of the SGX-ST as well as expenses in connection to continuing listing obligation.</p> <p>The Company declared a final dividend of S\$0.004 per Share, payable subject to receipt of Shareholders' approval at the annual general meeting.</p>
4 January 2019 / 6	The Company introduced the joining of a new orthopaedic surgeon, Dr. Tan Sok Chuen, to the Group.
28 January 2019	The Company announced the results of the annual general meeting and the ex-date for the final dividend of S\$0.004 per Share for FY2018 to be 7 February 2019.



**Date /
Corresponding
label in the chart**

Event

9 May 2019 / 7	<p>The Company announced the Group's results for 1H2019. The Group registered approximately 5.2% increase in revenue from approximately S\$5.65 million in 1H2018 to approximately S\$5.94 million in 1H2019. The Company attributed the increase in revenue to the acquisition of AAC which was completed on 28 November 2018, offset by a slight decrease of approximately 3.2% in the revenue from its orthopaedic segment.</p> <p>However, the Group's profit for the period decreased slightly by approximately 4.2% from approximately S\$1.43 million in 1H2018 to approximately S\$1.38 million in 1H2019 due to higher staff costs in 1H2019. Staff costs increased by approximately 35.5% from S\$1.71 million in 1H2018 to approximately S\$2.31 million in 1H2019.</p> <p>The Company declared an interim dividend of S\$0.004 per Share. The ex-date for the interim dividend was 17 May 2019.</p>
5 July 2019 / 8	<p>The Company announced that it had entered into a term sheet on 4 July 2019 in relation to the proposed acquisition of 51% interest in the capital of Cornerstone Asia Health Pte. Ltd. ("CAH") at a purchase consideration based on 13 times of the adjusted consolidated profit after tax of CAH and its subsidiaries for its financial year ended 30 June 2019.</p>
26 November 2019 / 9	<p>The Company announced the Group's results for FY2019. The Group registered approximately 12.4% increase in revenue from approximately S\$10.86 million in FY2018 to approximately S\$12.21 million in FY2019. The Company attributed the increase in revenue to the acquisition of AAC which was completed on 28 November 2018. AAC contributed revenue of approximately S\$1.08 million to the Group in FY2019. The Group also had higher revenue of approximately 2.4% from its orthopaedic segment in FY2019 due to an increase in the number of patient visits.</p> <p>However, staff costs increased at a higher percentage as compared to the Group's revenue, by approximately 32.5% from approximately S\$3.67 million in FY2018 to approximately S\$4.86 million in FY2019. Nevertheless, as the increase in revenue (in value) was more than the increase in staff costs, coupled with lower other costs and expenses (comprising supplies and consumables used, purchased and contracted services, depreciation of plant and equipment as well as other operating expenses), the Group's profit for the year increased by approximately 16.9% from approximately S\$2.45 million in FY2018 to approximately S\$2.87 million in FY2019.</p> <p>The Company declared a final dividend of S\$0.009 per Share, payable subject to receipt of Shareholders' approval at the annual general meeting.</p>



Date / Corresponding label in the chart	Event
4 December 2019 / 10	The Company announced that it had entered into a sale and purchase agreement in relation to the proposed acquisition of 51% interest in the capital of CAH for an aggregate consideration of S\$32,084,559, to be satisfied in cash (S\$5 million) and the allotment and issue of 104,171,380 new ordinary shares in the capital of the Company at an issue price of S\$0.26 for each new share.
23 January 2020 / 11	The Company announced the results of the annual general meeting and the ex-date for the final dividend of S\$0.009 per Share for FY2019 to be 31 January 2020.
19 February 2020 / 12	The Company announced the completion of the acquisition of 51% interest in the capital of CAH.
12 March 2020 / 13	The World Health Organisation declared COVID-19 to be a pandemic.
18 March 2020 / 14	The Multi-Ministry Task Force (MTF) established by the Singapore Government to manage the COVID-19 pandemic imposed additional border controls and travel restrictions, and raised the advisory from deferring non-essential travel to deferring all travel.
3 April 2020 to 1 June 2020	The Singapore Government implemented a circuit breaker for the period from 7 April 2020 to 4 May 2020 to curb the spread of COVID-19 in Singapore. On 21 April 2020, the Singapore Government announced that the circuit breaker will be extended to 1 June 2020 (the period between 7 April 2020 and 1 June 2020 referred herein as the "Circuit Breaker Period").



Date / Corresponding label in the chart	Event
12 May 2020 / 15	<p>The Company announced the Group's results for 1H2020. The Group registered approximately 12.5% increase in revenue from approximately S\$5.94 million in 1H2019 to approximately S\$6.69 million in 1H2020. The Company attributed the increase in revenue to the acquisition of CAH which was completed on 19 February 2020. CAH contributed approximately S\$1.20 million revenue to the Group in 1H2020.</p> <p>However, the Group's profit for the period decreased by approximately 8.1% from approximately S\$1.38 million in 1H2019 to approximately S\$1.27 million in 1H2020 to due to higher staff costs in 1H2020. Staff costs increased by approximately 38.1% from approximately S\$2.31 million in 1H2019 to approximately S\$3.19 million in 1H2020.</p> <p>No dividend was declared for 1H2020 in the interest of exercising prudence amid an uncertain COVID-19 situation.</p> <p>In the same results announcement, the Company introduced a new anaesthetist, Dr. Lim Tian Jin who joined the Group on 2 April 2020 and a new orthopaedic surgeon, Dr. Ng Zhaowen Dennis who joined the Group on 2 May 2020.</p>
27 May 2020 / 16	The Company announced that its Board of Directors agreed on a 10% reduction of the FY2020 Directors' fees.
22 July 2020 / 17	The Company announced several transactions, comprising (i) the termination of the option granted to Vanda in October 2018; (ii) the conditional early redemption of the convertible bond issued to Vanda in October 2018; (iii) the entering of investment agreements with Encyclia 1 Investments Pte. Ltd. (" Encyclia ") and Vanda in relation to the issue of S\$4 million zero-coupon convertible bonds in aggregate, convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at a conversion price of S\$0.1602 for each new share (" July CB "); and (iv) the entering of a framework agreement between (a) Encyclia, (b) Fansipan 2 Holdings Pte. Ltd. (" Fansipan 2 "), (c) the Company, and (d) Salvia Ventures Pte. Ltd. (" Salvia ", a wholly owned and newly incorporated subsidiary of the Company incorporated for the purposes of undertaking the Group's minority investment in Fansipan 2), in relation to the understanding between Encyclia and Salvia for Fansipan 2 to undertake investments, whether directly or indirectly in any healthcare or healthcare-related investments in South-East Asia.
3 August 2020	The Company announced the completion of the issue of the S\$4 million zero-coupon convertible bonds in aggregate to Encyclia and Vanda.
21 August 2020 / 18	The Company announced the completion of the subscription of new ordinary shares in the capital of Fansipan 2, following which Salvia holds approximately 23.8% in the capital of Fansipan 2. The remaining interest in Fansipan 2 is held by Encyclia.



Date / Corresponding label in the chart	Event
27 August 2020	The Company announced the completion of an acquisition of an interest in approximately 99.9% of a medical group comprising two private hospitals located in Central Vietnam. With completion of this acquisition, the mandatory conversion clause under the July CB is triggered and the Company will be issuing new ordinary shares to Encyclia and Vanda in due course.
3 September 2020 / 19	The Company announced the allotment and issue of 24,968,788 new ordinary shares upon the conversion of the July CB.
27 November 2020 / 20	<p>The Company announced the Group's results for FY2020. The Group registered approximately 38.7% increase in revenue from approximately S\$12.21 million in FY2019 to approximately S\$16.93 million in FY2020. The Company attributed the increase in revenue to the Group's expansion into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition (including 51% interest in the capital of CAH) and new medical specialists joining the Group in FY2020.</p> <p>With the higher revenue, the Group reported higher profit for the year. The Group's profit for the year increased by approximately 40.0% from approximately S\$2.87 million in FY2019 to approximately S\$4.01 million in FY2020.</p> <p>However, as the Group had non-controlling interests in CAH, the profit attributable to owners of the Company decreased by approximately 9.8% from approximately S\$2.87 million in FY2019 to approximately S\$2.59 million in FY2020.</p> <p>The Company declared a final dividend of S\$0.0015 per Share, payable subject to receipt of Shareholders' approval at the annual general meeting.</p> <p>In the same announcement, the Company also announced the commencement of a new Adult & Child ENT Specialists clinic headed by a newly otorhinolaryngologist, Dr. Soon Sue Rene on 2 November 2020.</p>
28 January 2021 / 21	The Company announced the results of the annual general meeting and the ex-date for the final dividend of S\$0.0015 per Share for FY2020 to be 4 February 2021.



Date / Corresponding label in the chart	Event
9 April 2021 / 22	<p>The Company announced:</p> <ul style="list-style-type: none"> (i) the Company has entered into a term sheet on 9 April 2021 for the proposed acquisition of the remaining 49% interest in the capital of CAH for an estimated consideration of S\$16 million; and (ii) the proposed allotment and issue of 17,700,000 new ordinary shares to five (5) subscribers at an issue price of S\$0.17 for each new ordinary share, raising gross proceeds of S\$3,009,000.
26 April 2021 / 23	The Company announced the completion of the allotment and issue of the 17,700,000 new ordinary shares.
14 May 2021 / 24	<p>The Company announced the Group's results for 1H2021. The Group registered approximately 99.6% increase in revenue from approximately S\$6.69 million in 1H2020 to approximately S\$13.35 million in 1H2021. The Company attributed the increase in revenue to the consolidation of the results of CAH. CAH contributed S\$6.87 million to the Group's revenue in 1H2021.</p> <p>With the higher revenue, the Group's profit for the period increased by approximately 174.7% from approximately S\$1.27 million in 1H2020 to approximately S\$3.48 million in 1H2021. After excluding profit for the period attributable to non-controlling interests in CAH, the profit attributable to owners of the Company increased at a lower percentage by approximately 98.8% from approximately S\$1.02 million in 1H2020 to approximately S\$2.03 million in 1H2021.</p> <p>The Company declared an interim dividend of S\$0.0042 per Share. The ex-date for the interim dividend was 21 May 2021.</p>
30 June 2021 / 25	The Company announced that it has entered into a sale and purchase agreement with the remaining 49% shareholders of CAH for the acquisition of the remaining 49% interest in the capital of CAH at an aggregate consideration of S\$16 million, to be satisfied in cash (S\$2.5 million) and the allotment and issue of 72,972,973 new ordinary shares in the capital of the Company at an issue price of S\$0.185 for each new share.
6 July 2021	The Company disseminated the circular in relation to the proposed acquisition of the remaining 49% interest in the capital of CAH.
21 July 2021 / 26	The Company announced the passing of the resolution in relation to the proposed acquisition of the remaining 49% interest in the capital of CAH.
30 July 2021	The Company announced the completion of the remaining 49% interest in the capital of CAH.



Date / Corresponding label in the chart	Event
20 to 23 October 2021 / 27	<p>On 20 October 2021, the MTF announced the extension of the COVID-19 stabilisation phase from 25 October 2021 through 21 November 2021.</p> <p>On 23 October 2021, the MTF announced new COVID-19 measures, including among others, that only employees who are fully vaccinated, or have recovered from COVID-19 within the past 270 days, can return to the workplace from 1 January 2022.</p>
26 November 2021 / 28	<p>The Company announced the Group's results for FY2021. The Group registered approximately 62.8% increase in revenue from approximately S\$16.93 million in FY2020 to approximately S\$27.56 million in FY2021. The Company attributed the increase in revenue to (i) the Group's expansion into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition (including 51% interest in the capital of CAH) and new medical specialists joining the Group in FY2020; (ii) an increase in the number of patient visits as compared to FY2020 pursuant to the recovery from COVID-19 pandemic; and (iii) the commencement of operation of an ENT clinic in November 2020.</p> <p>With the higher revenue, the Group reported higher profit for the year. The Group's profit for the year increased by approximately 68.9% from approximately S\$4.01 million in FY2020 to approximately S\$6.78 million in FY2021.</p> <p>After excluding non-controlling interests attributable to minority shareholders of CAH, the profit attributable to owners of the Company increased by approximately 73.2% from approximately S\$2.59 million in FY2020 to approximately S\$4.48 million in FY2021.</p> <p>The Company declared a final dividend of S\$0.0028 per Share, payable subject to receipt of Shareholders' approval at the annual general meeting.</p>
13 December 2021	The Company announced the proposed allotment and issue of 30,864,197 new ordinary shares to a subscriber at an issue price of S\$0.162 for each new ordinary share, raising gross proceeds of S\$5 million.
21 December 2021 / 29	The Company announced the completion of the allotment and issue of 30,864,197 new ordinary shares.
28 January 2022 / 30	The Company announced the results of the annual general meeting and the ex-date for the final dividend of S\$0.0028 per Share for FY2021 to be 8 February 2022.

Date /
Corresponding
label in the chart

Event

13 May 2022 /

31

The Company announced the Group's results for 1H2022. The Group registered a slight increase of approximately 3.6% in revenue from approximately S\$13.35 million in 1H2021 to approximately S\$13.82 million in 1H2022. The Company attributed the increase in revenue due to an increase in the number of patient visits in 1H2022 as compared to 1H2021.

Despite the higher revenue, the Group's profit for the period decreased by approximately 17.6% from approximately S\$3.48 million in 1H2021 to approximately S\$2.87 million in 1H2022 due mainly to higher staff costs and higher other operating expenses in 1H2022. Nevertheless, as the Group had acquired the remaining 49% interest in the capital of CAH, the profit attributable to owners of the Company increased by approximately 41.3% from approximately S\$2.03 million in 1H2021 to approximately S\$2.87 million in 1H2022.

The Company declared an interim dividend of S\$0.0042 per Share. The ex-date for the interim dividend was 23 May 2022.

6 October 2022

DBS Bank Ltd. announced the Offer for and on behalf of the Offeror.

8.1.2 Trading statistics of the Shares

We tabulate below selected statistical information on the share price and trading liquidity of the Shares for the period commencing on 20 April 2018 up to the Latest Practicable Date:

	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price to VWAP (%)	Highest trading price (S\$)	Lowest trading price (S\$)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods prior to and including 5 October 2022 (being the last full market day immediately prior to the Offer Announcement Date (the "Last Trading Day"))</u>						
Since 20 April 2018	0.246	(23.6)	0.355	0.126	624,787	0.84
Last 24 months	0.185	1.7	0.215	0.126	253,254	0.34
Last 12 months	0.157	19.5	0.174	0.126	36,606	0.05
Last 6 months	0.154	22.3	0.174	0.126	26,577	0.04
Last 3 months	0.155	21.3	0.174	0.146	25,657	0.03
Last 1 month	0.159	18.3	0.168	0.154	21,193	0.03
The Last Trading Day	0.160	17.5	0.162	0.160	119,900	0.16

	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price to VWAP (%)	Highest trading price (S\$)	Lowest trading price (S\$)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods after the Offer Announcement Date</u>						
Between 7 October 2022 and the Latest Practicable Date, both dates inclusive	0.187	0.7	0.188	0.186	1,006,457	1.36
The Latest Practicable Date	0.186	1.1	0.186	0.186	49,100	0.07

Source: Bloomberg L.P.

Notes:

- (1) VWAP stated in three (3) decimal places.
- (2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total days where the Shares were traded ("**Trading Days**") during those periods.
- (3) Calculated based on the difference between (i) the total number of 578,370,195 issued Shares; and (ii) the 504,101,246 Shares held by the Shareholders who have given undertakings to the Offeror as set out in paragraph 5.3 of this IFA Letter.

We note the following with regards to the trading prices of the Shares:

- (a) the Offer Price represents premia (of between 1.7% and 22.3%) to the VWAPs of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day and on the Last Trading Day which ranged between S\$0.154 and S\$0.185 per Share; and
- (b) the Offer Price is also higher and represents a premium of 8.0% to the highest traded price of the Shares of S\$0.174 per Share for the 12-month period prior to and including the Last Trading Day; and
- (c) the Shares traded between a narrower range of between S\$0.186 and S\$0.188 for the period after the Offer Announcement Date to the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

- (i) the average daily traded volume of the Shares for all the prior to and including the Last Trading Day represents less than 0.8% of the free float. Average daily traded volume of the Shares for the aforesaid periods was less than 650,000 Shares;



- (ii) the average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day represents less than 0.04% of the free float which was significantly different from the average daily traded volume of the Shares for the 24-month period prior to and including the Last Trading Day. Average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day was less than 40,000 Shares;
- (iii) as mentioned in note (2) to the table above, the average daily traded volumes of the Shares are calculated based on the total number of Trading Days. We compare the number of Trading Days against the market days which the SGX-ST were open for trading for the periods prior to and including the Last Trading Day, and we note that the Shares were traded on more than 58% of the market days in the aforesaid periods; and
- (iv) the average daily traded volume of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date amounted to 1,006,457 Shares and represents 1.36% of the free float. In addition, the Shares were traded on every market day for the period after the Offer Announcement Date and up to the Latest Practicable Date.

Based on the information presented in paragraphs above, while the Shares had low trading liquidity prior to the Offer Announcement Date, the Shares were traded rather regularly on more than 50% of the market days which the SGX-ST were open for trading. Hence, the trading prices of the Share can be considered as relatively fair representation of the value of the Shares. The higher trading prices and average daily trading volumes of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date can be attributed to the Offer.

Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will maintain at the level between the Offer Announcement Date and the Latest Practicable Date after the close or lapse of the Offer.

Shareholders are also advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.



8.1.3 Previous issues of new Shares by the Company

As set out in the list of events which may affect the market prices of the Shares in paragraph 8.1.1 of this IFA Letter, the Company completed a few rounds of allotment and issue of new ordinary shares since its admission to the Catalist Board of the SGX-ST. We summarise as follows:

Date of announcement	Details	Basis of issue price
28 November 2018	Completion of allotment and issue of 35,892,857 new ordinary shares at the issue price of S\$0.280 each in relation to the acquisition of AAC	The issue price was at a premium of 2.1% over the VWAP of S\$0.274 for trades done on the SGX-ST for the full market day on 26 October 2018, being the full market day prior to which the sale and purchase agreement for AAC was signed.
19 February 2020	Completion of allotment and issue of 104,171,380 new ordinary shares at the issue price of S\$0.260 each in relation to the acquisition of 51% interest in the capital of CAH	The issue price was at a premium of 17.43% over the VWAP of S\$0.2214 for trades done on the SGX-ST for the full market day on 26 November 2019, being the last full market day for which trades were done on the SGX-ST prior to the signing of the sale and purchase agreement in relation to the acquisition of 51% interest in the capital of CAH.
3 September 2020	Completion of the allotment and issue of 24,968,788 new ordinary shares at the issue price of S\$0.1602 each in relation to investment agreements with Encyclia and Vanda dated 22 July 2020.	The conversion price represents 10.0% discount to the prevailing market price of the underlying shares of S\$0.1780 prior to the signing of the investment agreements with Encyclia and Vanda.
26 April 2021	Completion of the allotment and issue of 17,700,000 new ordinary shares at an issue price of S\$0.17 each in relation to a subscription agreement dated 9 April 2021	The issue price was at a discount of approximately 6.59% to the VWAP of S\$0.1820 for trades done on the SGX-ST for the full market day on 7 April 2021, being the last market day for which the Shares were traded on the SGX-ST prior to the execution of the subscription agreement.

Date of announcement	Details	Basis of issue price
30 July 2021	Completion of allotment and issue of 72,972,973 new ordinary shares at the issue price of S\$0.185 each in relation to the acquisition of the remaining 49% interest in the capital of CAH	The issue price was at premia of 1.65% and 7.25% over the VWAP of S\$0.1820 and S\$0.1725 for trades done on the SGX-ST on 7 April 2021, being the last full market day for which trades were done on the SGX-ST prior to the signing of the term sheet and on 30 June 2021, being the last full market day for which trades were done on the SGX-ST prior to the signing of the sale and purchase agreement in relation to the acquisition of the remaining 49% interest in the capital of CAH.
21 December 2021	Completion of the allotment and issue of 30,864,197 new ordinary shares at an issue price of S\$0.162 each in relation to a subscription agreement dated 13 December 2021	The issue price was at a premium of approximately 1.4% over the VWAP of S\$0.1597 per Share and a discount of approximately 1.2% to the closing price of S\$0.164 per Share for trades done on the SGX-ST for the full market day on 6 December 2021, being the last market day for which the shares of the Company were traded on the SGX-ST prior to the execution of the subscription agreement.

The Offer Price is higher than the issue prices of the Shares allotted and issued by the Company in and after September 2020.

8.2 FINANCIAL PERFORMANCE OF THE GROUP

We summarise the financial results of the Group for the last three audited financial years and interim periods as follows:

S\$'000	Audited FY2019	Audited FY2020	Audited FY2021	Unaudited 1H2021	Unaudited 1H2022	Last 12 months ended 31 March ("LTM") 2022
Revenue	12,205	16,934	27,563	13,349	13,823	28,037
Profit before tax	3,367	4,565	7,999	4,115	3,417	7,301
Profit attributable to owners of the Company	2,867	2,585	4,476	2,028	2,866	5,314

Source: Annual reports and results announcements of the Company.

Revenue

We set out the segmental revenue information of the Group as follows:

	FY2019	FY2020	FY2021	1H2021	1H2022	LTM2022
- Orthopaedic	11,124	8,732	11,410	5,328	5,874	11,956
- Anaesthesia	1,081	1,466	1,951	957	927	1,921
- Otorhinolaryngology ("ENT")	-	-	507	193	449	763
- Other medical services including dermatology, family medicine, gastroenterology, ophthalmology, and urology services	-	6,736	13,695	6,871	6,573	13,397
	12,205	16,934	27,563	13,349	13,823	28,037

The Company attributed the increase in the Group's revenue from approximately S\$12.21 million in FY2019 to approximately S\$16.93 million in FY2020 to the Group's expansion into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition (including 51% interest in the capital of CAH) and new medical specialists joining the Group in FY2020. Nevertheless, the additional revenue from such other medical services was partially offset by a decrease in revenue from the Group's orthopaedic segment. The decrease in revenue from the Group's orthopaedic segment can be attributed to the split team arrangement between 10 February 2020 to 17 July 2020 to comply with the guidance issued by the Ministry of Health of Singapore to reduce the risk of cross-institutional transmission of COVID-19.

The Company attributed the increase in revenue from approximately S\$16.93 million in FY2020 to approximately S\$27.56 million in FY2021 to (i) the consolidation of the results of CAH; (ii) an increase in the number of patient visits as compared to FY2020 pursuant to the recovery from COVID-19 pandemic; and (iii) the commencement of operation of an ENT clinic in November 2020.

The Company attributed the increase in revenue from approximately S\$13.35 million in 1H2021 to approximately S\$13.82 million in 1H2022 due to an increase in the number of patient visits in 1H2022 as compared to 1H2021.

Profit attributable to owners of the Company

The profit attributable to owners of the Company decreased by approximately 9.8% from approximately S\$2.87 million in FY2019 to approximately S\$2.59 million in FY2020 despite the higher revenue for FY2020 as the higher revenue was contributed by CAH which the Group only had 51% interest in FY2020. Margin of profit attributable to owners of the Company decreased from approximately 23.5% in FY2019 to approximately 15.3% in FY2020.

In FY2021, the profit attributable to owners of the Company increased from approximately S\$2.59 million in FY2020 to approximately S\$4.48 million in FY2021 due mainly to the higher revenue registered in FY2021. Margin of profit attributable to owners of the Company also increased from approximately 15.3% in FY2020 to approximately 16.2% in FY2021.

The profit attributable to owners of the Company increased by approximately 41.3% from approximately S\$2.03 million in 1H2021 to approximately S\$2.87 million in 1H2022 with the acquisition of the remaining 49% interest in the capital of CAH.

Summary

Based on the reviews of the Group's financial performance set out above, the increase in the Group's revenue and profit before tax during the periods from FY2019 to FY2021 were mainly contributed by its acquisition targets. For LTM2022, while the Group's revenue was slightly higher by approximately 1.72% as compared to the Group's revenue for FY2021, the Group had higher profit attributable to owners of the Company as the Group completed the acquisition of the remaining 49% interest in the capital of CAH in end July 2021.

In our review of the Group's financial performance, we note that staff costs contributed a significant percentage of the Group's operating expenses. We calculate the percentage of revenue represented by the Group's staff for the last three audited financial years and the interim periods as follows:

	Audited FY2019	Audited FY2020	Audited FY2021	Unaudited 1H2021	Unaudited 1H2022	Unaudited LTM2022
Staff costs (S\$'000)	4,859	7,492	11,166	5,117	6,318	12,367
As a percentage of revenue (%)	39.81	44.24	40.51	38.33	45.71	44.11

As set out above, the percentage of revenue represented by the Group's staff costs had increased to more than 44% of the Group's revenue in 1H2022 and LTM2022. We also note from the bases and assumptions for the Statement of Prospects (as defined in paragraph 8.3(i) of this IFA Letter) that the Group had an increase in staff costs during FY2022 mainly due to revised remuneration schemes for doctors.

8.2.1 Earnings per Share and price-to-earnings ("P/E") ratio

Based on the profit attributable to owners of the Company of S\$5.31 million for LTM2022 and the total number of 578,370,195 issued Shares as at the Latest Practicable Date, the earnings per Share is S\$0.0092. The P/E ratio of the Company implied by the Offer Price is 20.5 times.



8.2.2 Earnings before interest, tax, depreciation and amortisation (“EBITDA”) and enterprise value (“EV”)-to-EBITDA (“EV/EBITDA”) ratio

We calculate the EBITDA of the Group as follows:

S\$'000	Audited FY2019	Audited FY2020	Audited FY2021	Unaudited 1H2021	Unaudited 1H2022	Unaudited LTM2022
Profit before tax	3,367	4,565	7,999	4,115	3,417	7,301
Add: Depreciation	35	883	1,152	573	561	1,140
Add: Amortisation	14	13	-	-	-	-
Add: Interest expense	163	295	171	82	86	175
Less: Interest income	(188)	(79)	-	-	-	-
Group's EBITDA	3,391	5,677	9,322	4,770	4,064	8,616

The EBITDA is usually adopted to calculate the EV/EBITDA ratio of a company. EV is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents.

We calculate the EV of the Group as follows:

	S\$'000
Value of the Company as implied by the Offer Price	108,734
Add: Borrowings and lease liabilities ⁽¹⁾	6,687
Less: Cash and cash equivalents ⁽²⁾	(14,859)
EV	100,562

Notes:

(1) As at 31 March 2022.

(2) After adjusting for the interim dividend of S\$0.0042 per Share which was paid on 1 June 2022.

Based on the above calculations, the EV/EBITDA ratio of the Group implied by the Offer Price is 11.7 times.



8.3 THE FINANCIAL POSITION OF THE GROUP

We summarise the latest audited financial position of the Group as at 30 September 2021 and latest unaudited financial position of the Group as at 31 March 2022 as follows:

S\$'000	Audited 30 September 2021	Unaudited 31 March 2022
Current assets	16,407	21,860
Current liabilities	(6,176)	(6,102)
Net current assets	10,231	15,758
Non-current assets	45,324	45,663
Non-current liabilities	(4,900)	(4,565)
Net asset value (" NAV ")	50,655	56,856
Less: Intangible assets – Goodwill	(35,100)	(35,100)
Net tangible assets (" NTA ")	15,555	21,756

The NAV of the Group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the Group. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all their assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds, if any, be distributed to all shareholders. Therefore, the NAV is perceived as providing support for the value of the Shares.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

In our evaluation of the NAV of the Group, we also have considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the financial positions of the Group as presented in the table above and whether there are any factors in recent announcements made by the Company that are likely to impact the NAV per Share.

We set out in the table below, the assets and liabilities which accounted for more than 5% of the NAV of the Group as at 31 March 2022:

	Unaudited as at 31 March 2022	
	S\$'000	As a percentage of the Group's NAV
Goodwill	35,100	61.7
Cash and cash equivalents	17,288	30.4
Associate	7,573	13.3
Loans and borrowings	4,295	7.5
Trade and other receivables	3,861	6.8

We review these material assets and liabilities in the paragraphs below.

(i) Goodwill

The Group's NAV goodwill comprises goodwill arising from the acquisition of AAC in November 2018 as well as the goodwill arising from the acquisition of CAH in February 2020 and July 2021 as follows:

	S\$'000
Goodwill arising from the acquisition of AAC	10,144
Goodwill arising from the acquisition of CAH	24,956
	<u>35,100</u>

The Group's goodwill is tested for impairment annually.

We extract the following from Section 9.5 of Appendix III to the Circular:

"As at the Latest Practicable Date, the Group expects a material decrease in the Group's FY2022 net profit as compared against the Group's last published audited FY2021 accounts, driven mainly by the preliminary yet to be finalised annual impairment exercise on goodwill arising from the Group's acquisition of AAC in November 2018 and share of loss of associate arising from the Group's investment in Fansipan 2 Holdings Pte. Ltd. ("Associate"). Accordingly, the carrying values of goodwill and investment in Associate as at 30 September 2022 are expected to be lower than the carrying values previously reported as at 30 September 2021."

The statement in *italic* above is deemed as a "**Statement of Prospects**" under Rule 25 of the Code. In compliance with the requirements of the Code, the Company is required to set out all the bases and commercial assumption underlying such

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Statement of Prospects in the Circular. The Statement of Prospects must also be examined and reported on by the auditors or reporting accountant and the financial adviser must examine the Statement of Prospects and state whether in their view, the Statement of Prospects has been made after due and careful enquiry.

Shareholders may refer to Appendices V, VI and VII to the Circular for the bases and assumptions underlying the Statement of Prospects as well as our opinion (the “**IFA SOP Review Letter**”) and the opinion of KPMG LLP in connection with the Statement of Prospects.

We will be adjusting the Group’s last published NAV and NTA as at 31 March 2022 to take into account the potential impairment on the Group’s goodwill based on the above disclosure.

(ii) Cash and cash equivalents

The Group’s cash and cash equivalents comprise cash held with bank and financial institution counterparties.

We note from the Company’s annual report that the Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The above cash and cash equivalent has not adjusted for the Company’s interim dividend of S\$0.0042 per Share paid by the Company on 1 June 2022. Based on the total number of 578,370,195 issued Shares as at 24 May 2022 (being the record date for the interim dividend), the total dividend paid amounted to approximately S\$2,429,000.

(iii) Associate

This refers to the Group’s interest in 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 (“**Vietnam Hospitals**”).

The Group’s share of results of its investment in Fansipan since the completion of the subscription of new ordinary shares in the capital of Fansipan 2 in August 2020 are as follows:

S\$’000	Audited FY2020	Audited FY2021	Unaudited 1H2021	Unaudited 1H2022	Unaudited LTM2022
Share of results	22	(359)	(307)	(91)	(143)

The Company attributed the losses incurred by Fansipan 2 in FY2021 and 1H2022 primarily due to the COVID-19 outbreak in Vietnam. The decreased in the loss registered by Fansipan 2 was due to the recovering performance of the Vietnam



Hospitals, following progress in vaccination and lifting of coronavirus-related restrictions in late 2021 in Vietnam.

As disclosed in Section 9.5 of Appendix III to the Circular, the Company expects to register a share of loss of associate arising from the Group's interest in Fansipan 2 in FY2022 which will result in the carrying value of the Group's interest in Fansipan 2 as at 30 September 2022 to be lower than the carrying value previously reported as at 30 September 2021. Accordingly, we will also be adjusting the Group's last published NAV and NTA as at 31 March 2022 to take into account the potential decrease in the carrying value of its interest in Fansipan 2 based on the above disclosure.

(iv) Loans and borrowings

Loans and borrowings refer to bank loans maturing in 2025 which are guaranteed by corporate guarantees from The Orthopaedic Centre (Farrer) Pte. Ltd., The Orthopaedic Centre (Gleneagles) Pte. Ltd. and The Orthopaedic Centre (Novena) Pte. Ltd.

(v) Trade and other receivables

Trade and other receivables comprised trade receivables, deposits, prepayments and other receivables. The Group has low credit risk on its receivables as customers are generally requested to place an initial deposit or obtain a letter of guarantee at the time of admission to the hospitals. Impairment loss on the Group's trade receivables amounted to approximately S\$42,000, S\$23,000 and S\$24,000 for FY2020, FY2021 and 1H2022 respectively.

Adjustments to the Group's NAV and NTA

We have inquired and the Company confirms that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

- (1) save for (a) the interim dividend of S\$0.0042 per Share which was paid on 1 June 2022, (b) the potential impairment on goodwill arising from the Group's acquisition of AAC as mentioned in paragraph (i) above, and (c) the potential decrease in the Group's carrying value of its interest in Fansipan 2, there is no event subsequent to 31 March 2022 which would materially affect the NAV and the NTA of the Group;
- (2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV and the NTA of the Group as at 31 March 2022; and
- (3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV and the NTA of the Group as at 31 March 2022.

In addition, we note from Section 9.2 of the Offer Document that, the Offeror intends for the Company to continue its existing business activities and there are currently no plans to (i) introduce any major changes to the business of the Company, (ii) re-deploy any of the fixed

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assets of the Company or (iii) discontinue the employment of any of the existing employees of the Company or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Company.

Based on the above, we adjust the Group's NAV and NTA as follows:

S\$'000	NAV	NTA
Unaudited as 31 March 2022	56,856	21,756
Less: Interim dividend paid on 1 June 2022	(2,429)	(2,429)
Less: Assumed impairment on goodwill ⁽¹⁾	(1,014)	-
Less: Assumed decrease in carrying value of the Group's interest in Fansipan 2 ⁽²⁾	(773)	(773)
Adjusted NAV/NTA ("Adjusted NAV"/"Adjusted NTA", as the case may be)	52,639	18,554

Notes:

- (1) As disclosed in Section 9.5 of Appendix III to the Circular, as at the Latest Practicable Date, the Company has not completed the annual impairment exercise on the goodwill. However, the Company expects the carrying value of goodwill as at 30 September 2022 to be lower than the carrying value of the goodwill previously reported as at 30 September 2021. The carrying value of the goodwill relating to the Group's acquisition of AAC amounted to approximately S\$10.1 million as at 30 September 2021 and as at 31 March 2022. For purposes of calculating the adjusted NAV/NTA of the Group, we have assumed a 10% impairment on the goodwill relating to the Group's acquisition of AAC which is approximately S\$1.0 million. Every 10% impairment on the goodwill relating to the Group's acquisition of AAC will reduce the corresponding goodwill by approximately S\$1.0 million or approximately S\$0.0018 per Share.
- (2) As disclosed in Section 9.5 of Appendix III to the Circular, as at the Latest Practicable Date, the Company expects to register a share of loss of associate arising from the Group's interest in Fansipan 2 in FY2022 which will result in the carrying value of the Group's interest in Fansipan 2 as at 30 September 2022 to be lower than the carrying value of the Group's interest in Fansipan 2 previously reported as at 30 September 2021. The carrying value of the Group's interest in Fansipan 2 amounted to approximately S\$7.7 million and S\$7.6 million as at 30 September 2021 and as at 31 March 2022 respectively. For purposes of calculating the adjusted NAV/NTA of the Group, we have assumed a 10% decrease in the carrying value of the Group's interest in Fansipan 2 as at 30 September 2021 which is approximately S\$773,000. Every 10% decrease in the carrying value of the Group's interest in Fansipan 2 will reduce the corresponding carrying value by approximately S\$773,000 or approximately S\$0.0013 per Share.

8.3.1 NAV per Share

Based on the total number of 578,370,195 issued Shares as at the Latest Practicable Date and the Adjusted NAV of approximately S\$52.6 million, the Adjusted NAV per Share is approximately S\$0.0910. The Offer Price represents a premium of approximately S\$0.097



or 106.56% to the Adjusted NAV per Share, or a price-to-NAV ("**P/NAV**") ratio of approximately 2.07 times.

As mentioned in the notes to paragraph 8.3 above, every 10% impairment on the goodwill relating to the Group's acquisition of AAC will reduce the corresponding goodwill by approximately S\$1.0 million or approximately S\$0.0018 per Share, and accordingly, the premium of the Offer Price to the Group's NAV will increase by approximately S\$0.0018 per Share, while every 10% decrease in the carrying value of the Group's interest in Fansipan 2 will reduce the corresponding carrying value by approximately S\$773,000 or approximately S\$0.0013 per Share, and accordingly, the premium of the Offer Price to the Group's NAV will increase by approximately S\$0.0013 per Share.

8.3.2 NTA per Share

Based on the total number of 578,370,195 issued Shares as at the Latest Practicable Date and the Adjusted NTA of approximately S\$18.6 million, the Adjusted NTA per Share is approximately S\$0.0321. The Offer Price represents a premium of approximately S\$0.1559 or 486.05% to the Adjusted NTA per Share, or a price-to-NTA ("**P/NTA**") ratio of approximately 5.86 times.

Similarly, we wish to highlight that every 10% decrease in the carrying value of the Group's interest in Fansipan 2 will reduce the corresponding carrying value by approximately S\$773,000 or approximately S\$0.0013 per Share, and accordingly, the premium of the Offer Price to the Group's NTA will increase by approximately S\$0.0013 per Share.

8.4 DIVIDEND TRACK RECORD OF THE COMPANY

We note that the Company does not have a fixed dividend policy.

However, the Company had declared and paid the following dividends since its listing in April 2018:

Dividends declared and paid by the Company	Singapore cents
1H2018 interim dividend	0.20
FY2018 final dividend	0.40
1H2019 interim dividend	0.40
FY2019 final dividend	0.90
FY2020 final dividend	0.15
1H2021 interim dividend	0.42
FY2021 final dividend	0.28

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Dividends declared and paid by the Company	Singapore cents
1H2022 interim dividend	0.42
TOTAL	3.17

The Company did not declare or recommend any interim dividend in 1H2020 in the interest of exercising prudence amid an uncertain COVID-19 situation. Save for 1H2020, the Company has a good track record of paying dividend to its Shareholders since its listing in 2018.

Based on the above track record, we calculate the annualised dividend per Share to be 0.7 Singapore cents, which represents a dividend yield of 3.75% based on the Offer Price.

For the purpose of analysing the Offer, we have considered that the Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative investments such as a broad Singapore market index instrument such as the STI Exchange-Traded Fund ("**STI ETF**") or Singapore treasury bills as follows:

	%
12-month dividend yield of the STI ETF as at the Latest Practicable Date	3.24
Cut-off yield for 6-month Singapore Government Securities (SGS) treasury bill closed on 27 October 2022	4.19
Cut-off yield for 1-year Singapore Government Securities (SGS) treasury bill closed on 13 October 2022	3.72

This suggests that Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in some of the alternative investments.

We wish to highlight that the above dividend track record analysis only serves as an illustrative guide and is not an indication of the Company's future dividend pay-out nor an indication of the performance of STI ETF or cut-off yield of future SGS treasury bills. There is no assurance that the Company will continue the dividend pay-out or STI ETF and SGS treasury bills will continue to generate such returns out in the future.

8.5 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST THOSE OF COMPARABLE COMPANIES

The Group generates revenue from the provision of multi-disciplinary medical services, comprising anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, urology and rehabilitative services. Comparison is therefore made to companies listed on the SGX-ST whose businesses are comparable to the Group ("**Comparable Companies**") to assess the Offer Price in relation to the valuation of the

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Comparable Companies as implied by their last traded prices as at the Latest Practicable Date. For a more meaningful comparison, we have also shortlisted SGX-ST listed companies with more than 50% of its revenue from the provision of specialist or general medical practitioners services and which reported revenue not more than S\$200 million and were profitable in its latest available 12 months or full year results.

We wish to highlight that the list of Comparable Companies is not exhaustive and none of the Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

For the comparison of Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

Valuation measure	General description
P/E	P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
EV/EBITDA	EV/EBITDA ratio is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
P/NAV	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/NTA	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their amortisation and asset valuation policies.

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We set out in the table below the list of Comparable Companies, together with a brief description of their business activities:

Comparable Companies	Business Activities
Alliance Healthcare Group Ltd (" Alliance Healthcare ")	Alliance Healthcare operates as a healthcare organisation. The company offers corporate healthcare solutions, clinical, medical diagnosis, and surgical treatments, as well as manufactures and distributes pharmaceutical and medical supplies. Alliance Healthcare serves customers worldwide.
HC Surgical Specialists Ltd (" HC Surgical ")	HC Surgical operates as a medical services group. The company focuses on the provision of endoscopic procedures, including gastroscopies and colonoscopies, and general surgery services with a focus on colorectal procedures. HC Surgical serves customers in Singapore.
Healthway Medical Corporation Ltd (" Healthway ")	Healthway provides outpatient medical services in Singapore. The company offers care in the areas of family medicine, specialists care, dental and oral care and medical aesthetics.
ISEC Healthcare Ltd (" ISEC Healthcare ")	ISEC Healthcare provides eyecare (ophthalmology) services in Malaysia and Singapore. The company provides clinical care, research and educational services. ISEC Healthcare operates across Malaysia and Singapore.
Livingstone Health Holdings Ltd (" Livingstone ")	Livingstone as a holding company. The company, through its subsidiaries, provides orthopaedic surgery, pain and anaesthesiology, internal medicine, and other health care services. Livingstone serves patients in Singapore.
Q & M Dental Group Singapore Limited (" Q&M Dental ")	Q&M Dental operates dental clinics. The company offers aesthetic, children's and general dentistry, fits crowns, dentures and braces, and offers bleeding gum treatment, gum surgery and oral surgery, and treats snoring and teeth grinding.
Singapore Paincare Holdings Ltd (" Singapore Paincare ")	Singapore Paincare provides healthcare services. The company offers persisting post-surgical, neck and chronic back, cancer, and arthritis pain management, as well as neuroplasty, intrathecal pump implants, and endoscopic laser decompression services. Singapore Paincare serves patients in Singapore.
Talkmed Group Ltd (" Talkmed ")	Talkmed provides medical oncology services to patients. Talkmed has a group of doctors providing tertiary healthcare services in the fields of medical oncology and palliative care to the oncology patients in the private sector in Singapore through Parkway Cancer Centre.

Source: Bloomberg L.P. and the respective website of the Comparable Companies.

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We set out in the table below the financial ratios of the Comparable Companies as at the Latest Practicable Date:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$m)	Revenue ⁽²⁾ (S\$m)	Profit attributable to equity holders ⁽²⁾ (S\$m)	P/E ratio (times)	EV/EBITDA ratio (times)	P/NAV ratio (times)	P/NTA ratio (times)
Alliance	37.7	54.8	3.1	12.1	3.4	1.7	2.3
HC Surgical	56.6	19.3	6.4	8.9	6.9	5.1	8.1
Healthway	167.8	153.5	12.9	13.0	5.5	0.9	3.6
ISEC Healthcare	156.2	58.8	11.6	13.4	7.4	2.0	7.4
Livingstone	44.9	34.1	3.0	14.9	7.6	9.0	33.0
Q&M Dental	326.5	201.9	22.5	14.5	8.0	3.5	9.8
Singapore Paincare	37.7	18.8	3.9	9.7	5.0	1.4	2.4
Talkmed	529.0	64.4	26.4	20.0	13.3	5.8	5.8
Maximum				20.0	13.3	9.0	33.0
Minimum				8.9	3.4	0.9	2.3
Mean				13.3	7.2	3.7 ⁽³⁾	5.6 ⁽³⁾
Median				13.2	7.2	2.8 ⁽³⁾	5.8 ⁽³⁾

The Company (at the Offer Price)	108.7	28.0	5.3	20.5 ⁽⁴⁾	11.7 ⁽⁴⁾	2.1 ⁽⁴⁾	5.9 ⁽⁴⁾
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Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

- (1) Based on last traded prices of the respective counters as at the Latest Practicable Date.
- (2) Based on latest available 12 months or full year revenue/profits attributable to equity holders as announced by the respective Comparable Companies.
- (3) Excludes the P/NAV ratio and P/NTA ratio of Livingstone as statistical outlier.

- (4) Please refer to paragraphs 8.2 and 8.3 of this IFA Letter for our calculations of the Company's ratios implied by the Offer Price.

For illustrative purpose only, based on the above ratio analysis, we note that:

- (a) the P/E ratio of the Company as implied by the Offer Price is slightly higher than the range of P/E ratios of the Comparable Companies;
- (b) the EV/EBITDA ratio and the P/NTA ratio of the Company as implied by the Offer Price are within the range and higher than the mean and median corresponding ratios of the Comparable Companies; and
- (c) the P/NAV ratio of the Company as implied by the Offer Price are within the range but lower than the mean and median P/NAV ratios of the Comparable Companies.

8.5.1 Privatisation statistics of comparable companies

The comparison set out in paragraph 8.5 of this IFA Letter above excludes the trading statistics of Singapore Medical Group Ltd whose shares are currently also the subject of a privatisation transaction. The offeree circular of Singapore Medical Group Ltd was disseminated on 18 October 2022 and the offeror of Singapore Medical Group Ltd announced the revised offer consideration on 2 November 2022.

In addition, there was another privatisation of a healthcare company, Singapore O&G Ltd, earlier in 2022. The offeree circular of Singapore O&G Ltd was disseminated on 4 April 2022.

We set out the privatisation ratios of Singapore Medical Group Ltd and Singapore O&G Ltd for comparison as follows:

	Value implied by its offer price (S\$m)	Revenue ⁽¹⁾ (S\$m)	Profit attributable to equity holders ⁽¹⁾ (S\$m)	P/E ratio (times)	EV/EBITDA ratio (times)	P/NAV or P/RNAV ratio (times)	P/NTA ratio (times)
Singapore Medical Group Ltd	194.6	105.3	14.7	13.2	6.7	1.1	4.3
Singapore O&G Ltd	140.8	42.4	8.4	16.8	8.9	3.6	4.6

Source: Offeree circular of Singapore O&G Ltd and IFA's own calculations based on the revised offer consideration for Singapore Medical Group Ltd announced on 2 November 2022.

Note:

- (1) Based on latest available 12 months or full year revenue/profits attributable to equity holders as announced by Singapore Medical Group Ltd and Singapore O&G Ltd prior to the issue of their respective offeree circulars.



The P/E ratio, the EV/EBITDA ratio and P/NTA ratio of the Company as implied by the Offer Price are higher than the corresponding privatisation ratios of Singapore Medical Group Ltd (ongoing as at the Latest Practicable Date) and Singapore O&G Ltd (completed in first half of 2022).

The P/NAV ratio of the Company as implied by the Offer Price of 2.1 times is within the range of corresponding privatisation P/NAV ratios of Singapore Medical Group Ltd and Singapore O&G Ltd.

8.6 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE WITH RECENTLY COMPLETED PRIVATISATION TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in Section 11.2 of the Offer Document, the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders, the Offeror intends to exercise such right, then proceed to delist the Company from the SGX-ST.

Accordingly, we have compared the key terms of the Offer with those of selected successful privatisation transactions that were announced and completed since 1 January 2021 and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the listing manual of the SGX-ST (the “**Listing Manual**”), offers being made by way of a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore or general takeover offers under the Code where the offeror has stated its intentions to delist the listed company from the SGX-ST, whether in cash or otherwise (the “**Privatisation Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs prior to the announcement of the respective Privatisation Transactions.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target’s business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

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The statistics of the Privatisation Transactions are as follows:

Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽³⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Silkroad Nickel Ltd.	9-Sep-22	VGO	2.4	5.4	5.1	(5.5)	5.07
GYP Properties Limited	09-Jul-22	VGO	34.2	37.9	33.3	28.2	0.69
Allied Technologies Limited	17-Jun-22	VGO	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	0.35
T T J Holdings Limited	20-May-22	VGO	36.1	33.6	28.8	28.0	0.63
Hwa Hong Corporation Limited	17-May-22	VGO	37.9	36.1	32.0	22.0	0.79
Excelpoint Technology Ltd	13-Apr-22	SOA	21.4	36.6	31.3	45.9	1.58
Singapore O&G Ltd	7-Mar-22	VGO	18.0	14.8	12.2	11.3	3.55
Shinvest Holding Ltd.	16-Feb-22	VGO	12.9	8.5	10.2	10.1	0.66
Koufu Group Limited	29-Dec-21	VGO	15.8	14.5	13.6	15.1	3.21
Roxy-Pacific Holdings Limited	15-Dec-21	VGO	19.8	21.0	23.5	30.3	0.64
United Global Limited	10-Dec-21	VGO	12.5	16.7	16.7	16.2	1.06
Starburst Holdings Limited	10-Nov-21	VGO	5.8	3.9	9.2	12.8	1.84
SingHaiyi Group Ltd.	9-Nov-21	VGO	8.3	7.0	10.7	18.3	0.60
Fragrance Group Limited	9-Jul-21	VGO	16.9	19.0	19.0	20.0	0.70
Dutech Holdings Limited	28-May-21	VGO	74.0	73.3	74.7	73.7	0.74
Cheung Woh Technologies Limited	6-May-21	VGO	90.0	90.0	92.6	109.6	1.10
Top Global Limited	30-Apr-21	VGO	122.9	133.6	146.8	148.7	0.32
Sin Ghee Huat Corporation Ltd	20-Apr-21	VGO	25.6	68.2	68.2	68.8	0.57
Singapore Press Holdings Limited	30-Mar-21	SOA	57.3	71.5	80.3	94.8	1.05

Premium / (Discount) of offer price over/(to):

Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price-to-NAV or RNAV ⁽³⁾ (times)
Neo Group Limited	30-Mar-21	VGO	20.0	17.9	14.5	15.4	1.22
Singapore Reinsurance Corporation Limited	19-Mar-21	VGO	17.8	20.6	20.8	21.8	0.79
World Class Global Limited	12-Mar-21	SOA	112.1	107.9	107.9	89.2	0.83
International Press Softcom Limited	28-Jan-21	VGO	12.5	25.4	32.0	21.6	1.08
GL Limited	15-Jan-21	VGO	42.9	46.6	52.4	45.8	0.74
CEI Limited	11-Jan-21	VGO	15.0	18.1	20.5	23.6	1.89
Maximum			122.9	133.6	146.8	148.7	5.07
Minimum			2.4	3.9	5.1	(5.5)	0.32
Mean			34.7	38.7	39.8	40.2	1.27
Median			19.9	23.2	26.2	22.8	0.79

The Company	6-Oct-22	VGO	17.5	18.3	21.3	22.3	2.07⁽⁵⁾
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Source: Offeree circulars of the respective companies.

Notes:

- (1) Date of announcement refer to the date of first announcement, including holding announcement, of offers.
- (2) VGO – Voluntary General Offer; and SOA – Scheme of Arrangement.
- (3) Based on the NAV per share or adjusted/revalued NAV (“RNAV”) per share, where available, as published in the independent financial adviser’s letter set out in respective circular of the companies.
- (4) “n.a.” means not applicable as the shares of Allied Technologies Limited were suspended for more than three years prior to its offer.
- (5) Based on the P/NAV ratio set out in paragraph 8.3.1 of this IFA Letter.

Based on the above, we note that:

- (a) the premium of the Offer Price over the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP are within the range of premia represented by the

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offer price of the Privatisation Transactions but all lower than the mean and median premia represented by the offer price of the Privatisation Transactions for the aforesaid periods;

- (b) the P/NAV ratio of 2.07 times of the Company implied by the Offer Price is within range, and higher than the mean and median P/NAV (or P/RNAV) ratios of the Privatisation Transactions.

8.7 ESTIMATED RANGE OF VALUES OF THE SHARES

We have analysed the market prices of the Shares, the financial performance and financial position of the Group in the preceding paragraphs of this IFA Letter.

As set out in previous paragraphs, the Group generates revenue from the provision of multi-disciplinary medical services, comprising anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, urology and rehabilitative services. The Group's operation is not capital intensive in nature and the Group is not required to invest heavily on fixed assets (including medical equipment) for its operations. According, we have focused principally on the earnings-based ratio, namely P/E ratio and EV/EBITDA ratio in our consideration of the estimated range of values of the Shares.

Based on the range of the P/E ratios and EV/EBITDA ratios of the Comparable Companies, and taking into consideration the trading prices of the Shares for the 24-months period prior to and including the Last Trading Day as well as the premia to VWAP for Privatisation Transactions, the estimated values of the Shares ranges from S\$0.15 to S\$0.21.

8.8 OTHER CONSIDERATIONS

8.8.1 Conditions to the Offer

The Offer is subject to (i) the Minimum Acceptance Condition; and (ii) the Third Party Consents Condition.

We note from the announcement dated 9 November 2022 made by DBS Bank Ltd. for and on behalf of the Offeror that, as at 6.00 p.m. (Singapore time) on 8 November 2022, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror and the Offeror's Concert Parties holding more than 90 per cent. of the total number of Shares (excluding any treasury shares), accordingly, the Minimum Acceptance Condition has been satisfied.

However, the Third Party Consents Condition has not been satisfied yet and accordingly, the Offer has not become unconditional in all respects as at 9 November 2022.

Shareholders should note that if the Third Party Consents Condition is not met by the close of the Offer, the Offeror may invoke the non-satisfaction of the Third Party Consents Condition so as to cause the Offer to lapse, subject to the Offeror consulting with the SIC and obtaining its prior approval. In such circumstances, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders.

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8.8.2 Alternative takeover offer

The Directors confirm that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

8.8.3 Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

9. OUR ADVICE

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the “fairness” of the Offer:

Factors for the Offer Price

- (a) the Shares consistently closed below the Offer Price for the period between 20 April 2021 and the Latest Practicable Date;
- (b) the Offer Price represents premia (of between 1.7% and 22.3%) to the VWAPs of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day and on the Last Trading Day which ranged between S\$0.154 and S\$0.185 per Share;
- (c) the Offer Price is also higher and represents a premium of 8.0% to the highest traded price of the Shares of S\$0.174 per Share for the 12-month period prior to and including the Last Trading Day;
- (d) while the Shares had low trading liquidity prior to the Offer Announcement Date, the Shares were traded rather regularly on more than 58% of the market days which the SGX-ST were open for trading. Hence, the trading prices of the Share can be considered as relatively fair representation of the value of the Shares;
- (e) the P/E ratio of the Company as implied by the Offer Price is higher than the range of P/E ratios of the Comparable Companies;

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- (f) the EV/EBITDA ratio and P/NTA ratio of the Company as implied by the Offer Price are within the range and higher than the mean and median corresponding ratios of the Comparable Companies;
- (g) the P/E ratio, EV/EBITDA ratio and P/NTA ratio of the Company as implied by the Offer Price are higher than the corresponding privatisation ratios of Singapore Medical Group Ltd (ongoing as at the Latest Practicable Date) and Singapore O&G Ltd (completed in first half of 2022);
- (h) the premium of the Offer Price over the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP are within the range of premia represented by the offer price of the Privatisation Transactions; and
- (i) the Offer Price is within the estimated range of values of the Shares set out in paragraph 8.7 of this IFA Letter.

Factors against the Offer Price

- (i) the premium of the Offer Price over the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP are lower than the mean and median premia represented by the offer price of the Privatisation Transactions.

We set out below a summary of the key factors we have taken into our consideration when assessing the “reasonableness” of the Offer:

Factors for the Offer Price

- (I) Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in alternative investments; and
- (II) other considerations set out in paragraph 8.8 of this IFA Letter.

Factors against the Offer Price

None.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.

This IFA Letter is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Offer, and the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors or the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

LETTER FROM THE IFA IN RESPECT OF THE TERMS OF THE REINVESTMENTS



10 November 2022

ASIAN HEALTHCARE SPECIALISTS LIMITED

38 Irrawaddy Road
#09-42 Singapore 329563

Attention: The Board of Directors

VOLUNTARY CONDITIONAL CASH OFFER (THE “OFFER”) BY DBS BANK LTD. FOR AND ON BEHALF OF LABRADOR PARK PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES IN THE CAPITAL OF ASIAN HEALTHCARE SPECIALISTS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE “OFFER SHARES”)

- **INDEPENDENT FINANCIAL ADVISER’S LETTER IN RELATION TO THE TERMS OF THE REINVESTMENTS (AS DEFINED HEREIN)**

Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the circular to shareholders of Asian Healthcare Specialists Limited (the “Company”) dated 10 November 2022 issued in connection with the Offer (the “Circular”)

1. INTRODUCTION

On 6 October 2022 (the “**Offer Announcement Date**”), DBS Bank Ltd. announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the “**Securities and Futures Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

On 27 October 2022, DBS Bank Ltd. issued the offer document dated 27 October 2022 (the “**Offer Document**”) for and on behalf of the Offeror, in respect of the Offer.

In connection with the Offer, the Offeror has identified 10 key doctors in the Company (the “**Key Doctors**”) and considers that the retention by the Key Doctors of an equity interest in the business of the Company and its subsidiaries (the “**Group**”) is important to ensure that they remain financially interested in the Group’s business, and are incentivised to continue to stay with the Group and contribute to the Group’s business.

To this end, each of the Key Doctors (and/or the vehicle through which he holds Shares) (the “**Reinvestment Undertaking Shareholders**”) has given an irrevocable undertaking (the “**Reinvestment Irrevocable Undertakings**”) to the Offeror to, *inter alia*:

- (i) tender all the Shares that he/it is the legal and beneficial owner of as at the date of the Reinvestment Irrevocable Undertakings (“**Current Shares**”), any other Shares which he/it may subsequently acquire by way of bonus issue, rights issue, dividend or distribution of Shares or otherwise declared or issued by the Company in respect of the Current Shares on or after the date of the Reinvestment Irrevocable Undertakings, and any other Shares which he/it may after the date of the

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

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Reinvestment Irrevocable Undertakings acquire (directly or indirectly or through a nominee) or of which he/it may after the date of the Reinvestment Irrevocable Undertakings become the legal and/or beneficial owner or in which he/it may after the date of the Reinvestment Irrevocable Undertakings have an interest (as defined in Section 7 of the Companies Act 1967 of Singapore (the "**Companies Act**")) which he/it controls, in acceptance of the Offer in accordance with the procedures prescribed in the Offer Document and the relevant form(s) of acceptance accompanying it; and

- (ii) reinvest 35 per cent. of the amount of the aggregate Offer Price agreed to be received by him/it in respect of his/its Shares (the "**Reinvestment Amount**") to subscribe for (or in the case of a Key Doctor who holds Shares through a vehicle, to make payment for his subscription of) new ordinary shares in the capital of Doctor Anywhere Pte. Ltd. ("**DA**") (the "**New DA Shares**"), in accordance with a reinvestment agreement entered into with DA and the Offeror (the "**Reinvestment Agreement**", and such reinvestment arrangements, the "**Reinvestments**").

Pursuant to an application made to the Securities Industry Council of Singapore ("**SIC**") to seek certain rulings in relation to the Offer, the SIC has confirmed that the Reinvestments under the Reinvestment Agreement and the Reinvestment Irrevocable Undertakings do not constitute a special deal prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Reinvestments are fair and reasonable insofar as the shareholders of the Company (the "**Shareholders**") are concerned in the context of Rule 10 of the Code.

The Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to publicly state our opinion on whether the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

This letter sets out, *inter alia*, our evaluation and opinion in respect of the terms of the Reinvestments (this "**IFA Rule 10 Letter**"), and forms part of the Circular.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to publicly state our opinion on whether the terms of the Reinvestments are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

We are not and were not involved in any aspect of the negotiations pertaining to the Reinvestments.

Our evaluation is limited to the key terms of the Reinvestments, and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Reinvestments.

In the course of our evaluation, we have held discussions with DBS Bank Ltd., as financial adviser to the Offeror, and have reviewed information relating to the DA Group as provided

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by DBS Bank Ltd., including the Reinvestment Irrevocable Undertakings, the audited financial statements of DA and its subsidiaries (the “**DA Group**”) for the financial years ended 31 December (“**FYE**”) 2020 and FYE2021, and redacted correspondences with SIC relating to the Reinvestments. We have also reviewed publicly available information relating to the DA Group. However, we have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the assets and liabilities of DA Group.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information provided to us as at 7 November 2022, being the Latest Practicable Date (the “**Latest Practicable Date**”) for the Circular. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Rule 10 Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. We recommend that Shareholders who may require specific advice in relation to their Shares, investment objectives or portfolios to consult their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

Our advice in relation to the Reinvestments should be considered in the context of the entirety of this IFA Rule 10 Letter.

3. INFORMATION ON THE DA GROUP

The following information on the DA Group is extracted from Section 5.2 of the Offer Document.

DA is a regional tech-enabled, omnichannel healthcare company, on a mission to make healthcare simple, accessible, and efficient for everyone. DA’s digital platform bridges gaps in the healthcare ecosystem through technology and innovation, enabling users to manage their health easily and effectively through the DA mobile app. Headquartered in Singapore and with a presence in six countries across the region (Singapore, Malaysia, Vietnam, Thailand, Philippines and Indonesia), DA now serves approximately 2.5 million users across Southeast Asia. DA’s shareholders include growth equity investor Asia Partners, EDBI, IHH Healthcare, Kamet Capital, Novo Holdings, OSK-SBI Venture Partners, Pavilion Capital, Philips and Square Peg.

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The board of directors of DA comprises five members, consisting of Mr. Lim Wai Mun, Mr. Kerry Goh Siow Hong, Mr. Tushar Roy, Mr. Amit Kakar and Mr. Oliver Minho Rippel.

As at the date of the Offer Document, DA does not hold any interest in any of the Shares.

4. INFORMATION ON THE KEY DOCTORS

The names of the Key Doctors and their respective Shares which are subject of the Reinvestment Irrevocable Undertakings are as follows:

Names of Key Doctors	Number of Current Shares	Value of Current Shares (S\$) ⁽¹⁾	Reinvestment Amount (S\$)
Dr. Chin Pak Lin (holding Shares through AHS Investments Holdings Pte. Ltd. ("AHSIH"))	58,951,750	11,082,929	3,879,025
Dr. Su Hsien Ching David (holding Shares through AHSIH)	58,951,750	11,082,929	3,879,025
Dr. Tan Chyn Hong (holding Shares through AHSIH)	58,951,750	11,082,929	3,879,025
Dr. Yue Wai Mun (holding Shares through AHSIH)	58,951,750	11,082,929	3,879,025
Dr. Cheng Ching Li	49,310,528	9,270,379	3,244,633
Dr. Ho Siew Hong	41,267,103	7,758,215	2,715,375
Dr. Lim Tet Chen Roy	35,922,857	6,753,497	2,363,724
Dr. Khoo Shih Wee @ Lawrence Khoo	31,798,975	5,978,207	2,092,373
Dr. Ng Tay Meng	27,386,455	5,148,654	1,802,029
Dr. Seah Sheng Heang Geoffry	13,757,243	2,586,362	905,227
Total	435,250,161	81,827,030	28,639,461

Note:

(1) Based on the Offer Price.

The Reinvestment Amount will be reinvested to subscribe for the New DA Shares in accordance with the Reinvestment Agreement.



5. THE KEY TERMS OF THE REINVESTMENTS

We understand that the Reinvestments will be undertaken together with the next round of fund raising exercise to be undertaken by DA, and will be based on the following key terms:

- (a) it is expected that the Key Doctors will collectively hold less than 5% interests in the capital of DA upon completion of the Reinvestments; and
- (b) the Key Doctors are also required to buyback a certain number of the Shares from DA at a premium to the Offer Price if he start up, join or work as a medical practitioner in a competing practice within a stipulated period.

In addition, the Key Doctors have also waived their right to any increase in the Offer Price which may be announced from time to time by or on behalf of the Offeror.

6. EVALUATION OF THE KEY TERMS OF THE REINVESTMENTS

In our evaluation of the key terms of the Reinvestments, we have taken into account the following factors:

- (i) the Offeror's rationale for the Reinvestments;
- (ii) additional restrictions on the Key Doctors;
- (iii) the financial performance of the DA Group;
- (iv) comparison of the valuation ratios of the New DA Shares against those of comparable companies; and
- (v) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

6.1 THE OFFEROR'S RATIONALE FOR THE REINVESTMENTS

We understand that the Offeror has identified the Key Doctors as key revenue generating doctors to the Group's revenue for the financial year ended 30 September ("FY") 2021. Accordingly, it is in the interest of the Offeror that the interests of the Key Doctors are aligned with the DA Group and not to compete with the Group.

The Reinvestments are intended to serve as a disincentive to the Key Doctors from leaving DA.

6.2 ADDITIONAL RESTRICTIONS ON THE KEY DOCTORS

The Key Doctors will not be entitled to any increase in Offer Price and have to observe a non-competing clause for a stipulated period. The Key Doctors will be required to buy back



a certain number of their Shares at a premium to the Offer Price if he start up, join or work as a medical practitioner in a competing practice within a stipulated period.

6.3 THE FINANCIAL PERFORMANCE OF THE DA GROUP

We note that DA Group has reported significant losses for FYE2019, FYE2020 and FYE2021.

Accordingly, the Key Doctors who will become shareholders of DA after the completion of the Reinvestments will have to bear the risks associated with the business and financial performance of the DA Group going forward.

In the event that the Company is successfully privatised by the Offeror with the Offer, the Company will be part of the DA Group. Based on the profit generated by the Group for FY2021, the DA Group will still register a loss in FYE2021 on a *pro forma* basis.

6.4 COMPARISON OF THE VALUATION RATIOS OF THE NEW DA SHARES AGAINST THOSE OF ITS COMPARABLE COMPANIES

As mentioned above, the DA Group has reported losses for its past three completed financial years.

We also calculate that the DA Group had negative earnings before interest, tax, depreciation and amortisation ("**EBITDA**") for its past three completed financial years.

Accordingly, the earnings-based approaches such as price-earnings ratio and enterprise value to EBITDA ratio are not relevant in our consideration of the key terms of the Reinvestments.

Based on our review of the DA Group's balance sheet, we note that the major asset of the DA Group is its cash and cash equivalents which is also irrelevant in our consideration of adopting the asset-based approach to assess the key terms of the Reinvestments.

Accordingly, the remaining alternative approach would be the price-to-sales ratio.

Based on the Reinvestment Amount and the estimated shareholdings of the Key Doctors in DA after the Closing Date, we calculate the price-to-sales ratio implied by the subscription of the New DA Shares to be higher than the range of the price-to-sales ratio of listed tele-health companies as at the Latest Practicable Date.

The tele-health companies identified are as follows:

Name of tele-health service provider / Listing venue	Description	Market capitalisation (\$'million) / Price-to-Sales ratio (times)
1Life Healthcare, Inc. / NASDAQ GS	1Life Healthcare, Inc., doing business as One Medical, provides healthcare software solutions. The company offers membership-based and technology-powered primary care platform which delivers medical services in-office and virtually, as well as administrative and managerial services. One Medical operates in the United States.	4,874.2 / 3.5
American Well Corporation / New York	American Well Corporation is a telehealth company. The company provides comprehensive digital healthcare solutions for health systems, health plans, employers, and physicians. It helps to connect and enable providers, insurers, patients, and innovators to deliver greater access to health care. It serves customers in the United States.	1,246.5 / 3.3
Doctor Care Anywhere Group PLC / Australian Securities Exchange	Doctor Care Anywhere Group PLC operates as a telehealth company. The company focuses on delivering high-quality, effective, and efficient care to its patients with reducing the overall cost of providing clinical services. It serves health insurers, healthcare providers, and corporate customers to connect with patients and deliver a range of telehealth services.	22.0 / 0.4
Hims & Hers Health, Inc. / New York	Hims & Hers Health, Inc. provides health care software solutions. The company offers multi-specialty telehealth platform that connects consumers to licensed healthcare providers, enabling them to access medical care for numerous conditions related to mental, sexual health, dermatology, and primary care. Hims & Hers Health, Inc. serves customers in the United States.	1,293.1 / 2.1

Name of tele-health service provider / Listing venue	Description	Market capitalisation (S\$'million) / Price-to-Sales ratio (times)
LifeMD, Inc. / NASDAQ GM	LifeMD, Inc. is a direct-to-patient telehealth technology company. The company offers telehealth platform that helps patients to access their licensed providers for diagnoses, virtual care, and prescription medications, as well as sells over-the-counter products on a subscription or membership basis. It serves clients worldwide.	90.8 / 0.6
Physitrack PLC / Stockholm	Physitrack PLC is a digital healthcare company. The company provides solutions for remote patient engagement that encompasses clinical home exercise and education prescription, outcomes tracking, and telehealth for physical rehabilitation and prevention. It operates worldwide.	57.3 / 3.4
Teladoc Health, Inc. / New York	Teladoc Health, Inc. provides healthcare services. The company diagnoses, recommends treatment, and prescribes medication for routine medical issues through phone and video consultations. Teladoc Health serves patients worldwide.	6,174.3 / 1.9

All of the above tele-health companies generated substantial percentage of their revenues from services rendered (include online consultation) and/or products sold on their digital platforms.

The price-to-sales ratio implied by the subscription price of the New DA Shares is higher than the range of the price-to-sales ratio of the comparable companies set out above.

6.5 OTHER CONSIDERATIONS

6.5.1 Same subscription price as the other subscribers

The Key Doctors will be subscribing for the New DA Shares at the same subscription price to be paid by other subscribers in the upcoming series of fund raising by DA.

6.5.2 Lower cash proceeds received by the Key Doctors

The Key Doctors will only be receiving 65% of the cash proceeds based on the Offer Price and are not entitled to any increase in Offer Price.



6.5.3 Material dilution in shareholding and loss of control

The Key Doctors who collectively hold approximately 75.25% of the issued share capital of the Company will be minority shareholders of a loss-making privately held company.

The Key Doctors are also not entitled to any board seat on DA.

7. OUR OPINION

Having carefully considered the information available to us (including the key terms of the Reinvestments) and our analysis set out above, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Reinvestments, are fair and reasonable insofar as the Shareholders are concerned in the context of Rule 10 of the Code.

We summarise the key factors we have taken into our consideration as follows:

- (i) the Reinvestments are intended to serve as a disincentive to the Key Doctors from leaving DA;
- (ii) the Key Doctors are subject to additional restrictions relating to the Offer Price and their Shares;
- (iii) DA Group has reported significant losses for its past three completed financial years;
- (iv) based on the Reinvestment Amount and the estimated shareholdings of the Key Doctors in DA after the Closing Date, we calculate the price-to-sales ratio implied by the subscription of the New DA Shares to be higher than the range of the price-to-sales ratio of listed tele-health companies as at the Latest Practicable Date; and
- (v) other considerations as set out in paragraph 6.5 of this IFA Rule 10 Letter.

Whilst a copy of this IFA Rule 10 Letter may be reproduced in the Circular, neither the Company, the Directors or the Shareholders may reproduce, disseminate or quote this IFA Rule 10 Letter (or any part thereof) for any other purpose, except for the Reinvestments insofar as the Shareholders are concerned in the context of Rule 10 of the Code, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.



This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Dr. Chin Pak Lin	c/o 38 Irrawaddy Road #09-42 Singapore 329563	Executive Director and Chief Executive Officer
Dr. Yue Wai Mun	c/o 38 Irrawaddy Road #09-42 Singapore 329563	Executive Director and Chief Medical Officer
Dr. Cheng Ching Li	c/o 38 Irrawaddy Road #09-42 Singapore 329563	Executive Director
Mr. Leow Chung Chong Yam Soon	c/o 150 Cecil Street, #15-01, Singapore 069543	Non-Executive Chairman and Independent Director
Mr. Siek Wei Ting	c/o 65 Ubi Avenue 1, Singapore 408939	Independent Director
Mr. Vikram Nair	c/o 38 Irrawaddy Road #09-42 Singapore 329563	Independent Director
Mr. Yeo Wee Kiong	c/o 38 Irrawaddy Road #09-42 Singapore 329563	Non-Executive and Non-Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 38 Irrawaddy Road, #09-42, Singapore 329563.

3. PRINCIPAL ACTIVITIES

The Company was incorporated under the laws of Singapore on 27 September 2017 and was listed on Catalist of the SGX-ST on 20 April 2018.

The principal activities of the Company are those of an investment holding company and management consultancy services. The Group is a multidisciplinary medical services group providing an extended range of medical services such as anaesthesia, dermatology, family medicine, gastroenterology, ophthalmology, orthopaedics, otorhinolaryngology, rehabilitation and urology. The Group currently has 14 medical specialists in different divisions, one family physician and one physiotherapist, located at 12 clinics in Singapore.

4. SHARE CAPITAL

4.1 Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$76,180,158.752 comprising 578,370,195 Shares. As at the Latest Practicable Date, the Company has no treasury shares. The issued Shares are listed and quoted on Catalist of the SGX-ST.

4.2 Capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the Company's registered office at 38 Irrawaddy Road, #09-42, Singapore 329563. An extract of the relevant provisions in the Constitution of the Company relating to the rights of Shareholders in respect of capital dividends and voting is reproduced in Appendix IV of this Circular.

4.3 Number of Shares issued since the end of the last financial year

The Company had on 21 December 2021 allotted and issued to Sian Chay Medical Institution 30,864,197 new ordinary shares at an issue price of S\$0.162 pursuant to a subscription agreement dated 13 December 2021. The Company had on 8 March 2022 allotted and issued 900,000 new ordinary shares to certain employees of the Company pursuant to the AHS Performance Share Plan.

Save as disclosed above, no Shares have been issued by the Company since 30 September 2021 (being the end of the last financial year for which results have been announced) up to the Latest Practicable Date.

4.4 Options and convertible instruments

There are no outstanding instruments convertible into, rights to subscribe for, and options in respect of securities being offered for or which carry voting rights affecting the Shares in the Company, as at the Latest Practicable Date.

5. DISCLOSURE OF INTERESTS

5.1 Interests of the Company in Offeror Securities

The Company does not have any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in the Offeror Securities during the period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.3 Interests of Directors in Offeror Securities

None of the Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.5 Interests of the Directors in the Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the Company Securities:

Name of Director	Direct interest		Deemed interest		Total interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dr. Chin Pak Lin ⁽²⁾	–	–	235,807,000	40.77%	235,807,000	40.77%
Dr. Yue Wai Mun ⁽²⁾	–	–	235,807,000	40.77%	235,807,000	40.77%
Dr. Cheng Ching Li	49,310,528	8.53%	20,000 ⁽³⁾	n.m. ⁽⁴⁾	49,330,528	8.53%

Notes:

(1) Based on 578,370,195 issued Shares as at the Latest Practicable Date.

(2) AHSIH has a direct interest in 235,807,000 Shares. The Shareholders of AHSIH are Dr. Chin Pak Lin, Dr. Yue Wai Mun, Dr. Su Hsien Ching David and Dr. Tan Chyn Hong in equal proportions. Accordingly, each of Dr Chin Pak Lin and Dr Yue Wai Mun are deemed interested in the Shares that AHSIH is interested in by virtue of Section 4 of the SFA.

(3) Dr. Cheng Ching Li is deemed to have an interest in the 20,000 Shares held by his spouse.

(4) Not meaningful.

5.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in the Company Securities during the period commencing three months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 Company Securities owned or controlled by the IFA

None of Xandar Capital or any funds whose investments are managed by Xandar Capital on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

5.8 Dealings in Company Securities by the IFA

None of Xandar Capital or any funds whose investments are managed by Xandar Capital on a discretionary basis has dealt for value in any Company Securities during the period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.9 Directors' Intentions in relation to the Offer

As at the Latest Practicable Date, the Directors who hold Shares have indicated their intentions in respect of accepting or rejecting the Offer in respect of their Shares as follows:

- (a) as set out in Section 4 of this Circular, pursuant to the Reinvestment Irrevocable Undertakings given by each of the Non-Recommendating Directors, each of the Non-Recommendating Directors have tendered all their Shares in acceptance of the Offer.

Save for the Non-Recommendating Directors, none of the Directors have any direct or indirect interest in the Shares.

6. OTHER DISCLOSURES

6.1 Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such service contracts entered into or amended during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6.2 Arrangements affecting Directors

In connection with their entering into the Reinvestment Irrevocable Undertakings, each of the Key Doctors had sought a waiver ("**Moratorium Waiver**") from the Company from moratorium arrangements ("**Moratorium**") that they entered into pursuant to the Moratorium-related Documents. Pursuant to the Moratorium-related Documents, each of the Key Doctors undertook that the Moratorium-related Restrictions shall apply in respect of certain ordinary shares they hold in the Company (the "**Moratorium Shares**"):

The Company had on 6 October 2022, granted the Moratorium Waiver on the condition that each Key Doctor shall not sign the Reinvestment Irrevocable Undertaking unless the terms of the Offer, *inter alia*:

- (i) state that the Offer is conditional only upon the Offer Threshold and Third Party Consents Condition;
- (ii) does not reserve the right of the Offeror nor contain any language permitting the Offeror to reduce the Offer Threshold; and
- (iii) state that, in the event the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the shareholders of the Company who have not accepted the Offer, the Offeror intends to exercise such right such that the Company will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist the Company from the Catalist of the SGX-ST.

For the avoidance of doubt, the Moratorium, and any and all rights the Company may have, or other restrictions the Company may be entitled to impose, under the Documents or otherwise shall continue to be effective, if the Offer lapses, is withdrawn, does not become unconditional as to acceptances and/or is not declared unconditional in all respects.

As at the Latest Practicable Date:

- (a) save for the Reinvestment Irrevocable Undertakings and Reinvestment Agreement (as disclosed in Section 4 of this Circular), and the Moratorium Waiver, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer;
- (b) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer; and
- (c) save for the Reinvestment Irrevocable Undertakings and Reinvestment Agreement (as disclosed in Section 4 of this Circular), and the Moratorium Waiver, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS¹

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Company (including but not limited to the annual reports of the Company, other announcements released by the Company and the Moratorium Waiver), neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with persons who are interested persons during the period commencing three years before the Offer Announcement Date and ending on the Latest Practicable Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

¹ An “interested person” is defined in Note 1 on Rule 23.12 of the Code to mean:

- (a) a director, chief executive officer or substantial shareholder of the Company;
- (b) the immediate family of a director, the chief executive officer or a substantial shareholder (being an individual) of the Company;
- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
- (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
- (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

9. FINANCIAL INFORMATION

9.1 Consolidated Statements of Comprehensive Income

The audited consolidated statements of comprehensive income of the Group for FY2019, FY2020 and FY2021 and the unaudited consolidated statements of comprehensive income of the Group for six months ended 31 March 2022 (“1H2022”) are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection at the Company’s registered office as mentioned in Paragraph 11(b) of Appendix III to this Circular).

	FY2019 Audited S\$'000	FY2020 Audited S\$'000	FY2021 Audited S\$'000	1H2022 Unaudited S\$'000
Revenue	12,205	16,934	27,563	13,823
Other income	293	1,051	648	304
Items of expense				
Supplies and consumables used	(1,709)	(2,253)	(3,662)	(1,821)
Purchased and contracted services	(75)	(276)	(667)	(318)
Staff costs	(4,859)	(7,492)	(11,166)	(6,318)
Depreciation	(35)	(883)	(1,152)	(561)
Other operating expenses	(2,290)	(2,201)	(3,012)	(1,491)
Impairment loss on trade receivables	–	(42)	(23)	(24)
Finance costs	(163)	(295)	(171)	(86)
Share of profit/(loss) of associate	–	22	(359)	(91)
Profit before tax	3,367	4,565	7,999	3,417
Tax expense	(500)	(552)	(1,220)	(551)
Profit for the year/period	2,867	4,013	6,779	2,866
Profit attributable to:				
Owners of the Company	2,867	2,585	4,476	2,866
Non-controlling interests	–	1,428	2,303	–
Profit for the year/period	2,867	4,013	6,779	2,866
Earnings per share				
Basic and diluted (cents)	0.90	0.66	0.94	0.51

	FY2019 Audited S\$'000	FY2020 Audited S\$'000	FY2021 Audited S\$'000	1H2022 Unaudited S\$'000
Profit for the year/period	2,867	4,013	6,779	2,866
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Share of foreign currency translation differences of associate	–	(10)	42	(67)
Other comprehensive income for the year/period, net of tax	–	(10)	42	(67)
Total comprehensive income for the year/period	2,867	4,003	6,821	2,799
Total comprehensive income attributable to:				
Owners of the Company	2,867	2,575	4,518	2,799
Non-controlling interests	–	1,428	2,303	–
Total comprehensive income for the year/period	2,867	4,003	6,821	2,799

A summary of the net dividend per share declared in respect of each of FY2019, FY2020, FY2021 and 1H2022 is set out below:

	FY2019 Audited	FY2020 Audited	FY2021 Audited	1H2022 Unaudited
Net dividend per share (cents)	1.30	0.15	0.70	0.42

9.2 Consolidated Statements of Financial Position

The audited consolidated statements of financial position of the Group for FY2019, FY2020 and FY2021 and the unaudited consolidated statements of financial position of the Group for 1H2022 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in Paragraph 11(b) of Appendix III to this Circular).

	As at 30 September 2019 Audited S\$'000	As at 30 September 2020 Audited S\$'000	As at 30 September 2021 Audited S\$'000	As at 31 March 2022 Unaudited S\$'000
ASSETS				
Non-current assets				
Plant and equipment	84	608	579	548
Right-of-use assets	–	1,542	1,903	2,305
Goodwill	10,144	35,100	35,100	35,100
Associate	–	8,048	7,731	7,573
Other investment	–	–	–	100
Deferred tax assets	–	6	11	37
Total non-current assets	10,228	45,304	45,324	45,663
Current assets				
Contract assets	244	172	221	486
Trade and other receivables	2,160	3,217	3,477	3,861
Cash and cash equivalents	17,023	9,928	12,524	17,288
Inventories	–	175	185	225
Total current assets	19,427	13,492	16,407	21,860
Total assets	29,655	58,796	61,731	67,523
EQUITY				
Share capital	22,047	46,431	61,918	66,937
Reserves	(1,876)	(2,084)	(15,902)	(15,969)
Retained earnings	3,184	2,836	4,639	5,888
Total equity attributable to owners of the Company	23,355	47,183	50,655	56,856
Non-controlling interests	–	711	–	–
Total equity	23,355	47,894	50,655	56,856
LIABILITIES				
Non-current liabilities				
Lease liabilities	–	824	1,185	1,477
Loans and borrowings	4,577	4,900	3,685	3,068
Deferred tax liabilities	11	35	30	20
Total non-current liabilities	4,588	5,759	4,900	4,565

	As at 30 September 2019 Audited S\$'000	As at 30 September 2020 Audited S\$'000	As at 30 September 2021 Audited S\$'000	As at 31 March 2022 Unaudited S\$'000
Current liabilities				
Trade and other payables	1,059	2,964	2,878	2,676
Current tax payable	551	1,300	1,279	1,224
Contract liabilities	102	43	62	60
Lease liabilities	–	736	742	915
Loans and borrowings	–	100	1,215	1,227
Total current liabilities	1,712	5,143	6,176	6,102
Total liabilities	6,300	10,902	11,076	10,667
Total equity and liabilities	29,655	58,796	61,731	67,523

9.3 Significant accounting policies

The audited consolidated financial statements of the Group for FY2021 have been prepared in accordance with the provisions of the Companies Act and Singapore Financial Reporting Standards (International). A summary of the significant accounting policies of the Group are set out in Note 3 of the audited consolidated financial statements of the Group for FY2021 contained in the annual report of the Company for FY2021 (a copy of which is available for inspection at the Company's registered office as mentioned in Paragraph 11 of Appendix III to this Circular).

9.4 Changes in accounting policies

As at the Latest Practicable Date, there has been no change in the accounting policies of the Group since the date of its audited consolidated financial statements for FY2021 which will cause the figures set out in Paragraphs 9.1 and 9.2 of Appendix III to this Circular to be not comparable to a material extent.

9.5 Material changes in financial position

The Group expects a material decrease in the Group's FY2022 net profit as compared against the Group's last published audited FY2021 accounts, driven mainly by the preliminary yet to be finalised annual impairment exercise on goodwill arising from the Group's acquisition of Asian Anaesthesia Care Pte. Ltd. ("**AAC**") in November 2018 and share of loss of associate arising from the Group's investment in Fansipan 2 Holdings Pte. Ltd. ("**Associate**"). Accordingly, the carrying values of goodwill and investment in Associate as at 30 September 2022 are expected to be lower than the carrying values previously reported as at 30 September 2021 (the "**Statement of Prospects**").

Shareholders should note that the above constitutes a statement of prospects under Note to Rule 25.6 of the Code. The bases and assumptions for the Statement of Prospects are set out in Appendix V to this Circular. The Auditors and IFA have each issued their letter in relation to the Statement of Prospects, as set out in Appendix VI and Appendix VII to this Circular respectively. Shareholders are urged to read Appendix V, Appendix VI and Appendix VII to this Circular carefully.

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the annual report of the Company for FY2021 and the unaudited financial results for 1H2022), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 30 September 2021, being the date of the Company's last published audited financial statements.

9.6 Material changes in information

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

10. GENERAL

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) Xandar Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the IFA Letters; (iii) the IFA SOP Review Letter and (iv) all references thereto in the form and context in which they appear in this Circular.
- (c) KPMG has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the Auditors SOP Review Letter and (iii) all references thereto in the form and context in which they appear in this Circular.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38 Irrawaddy Road, #09-42, Singapore 329563 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2019, FY2020 and FY2021;
- (c) the condensed interim financial statements for 1H2022;
- (d) the IFA Letters;
- (e) the IFA SOP Review Letter;
- (f) the letter of consent from IFA referred to in Paragraph 10(b) of Appendix III to this Circular;
- (g) the Auditors SOP Review Letter; and
- (h) the letter of consent from KPMG referred to in Paragraph 10(c) of Appendix III to this Circular.

RELEVANT EXTRACTS OF THE COMPANY'S CONSTITUTION

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below:

1. RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

"SHARES

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| <p>7. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.</p> <p>(2) The Company may issue shares for which no consideration is payable to it.</p> | <p>Shares of a class other than ordinary shares</p> <p>Issue of shares for no consideration</p> |
| <p>8. Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 68, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:</p> <p>(a) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and</p> <p>(b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.</p> | <p>Issue of shares</p> |
| <p>9. Notwithstanding anything in this Constitution, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under this Constitution.</p> | <p>Treasury shares</p> |

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| <p>10. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.</p> | <p>Rights attached to preference shares</p> |
| <p>(2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.</p> | <p>Issue of further preference shares</p> |
| <p>11. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply,</p> | <p>Variation of rights of shares</p> |

Provided always that:

- (a) the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and
- (b) where all the issued shares of the class are held by one (1) person, the necessary quorum shall be one (1) person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.

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| <p>12. The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.</p> | <p>Variation of rights of preference shareholders</p> |
| <p>13. The rights conferred upon the holders of the shares of any class issued with preferred rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects <i>pari passu</i> therewith but in no respect in priority thereto.</p> | <p>Issue of further shares affecting preferred rights</p> |
| <p>14. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.</p> | <p>Payment of instalments</p> |
| <p>15. The Company may pay any expenses (including brokerage or commission) incurred in any issue of shares or purchase or acquisition of shares at such rate or amount and in such manner as the Directors deem fit. Such expenses may be paid in whole or in part in cash or fully or partly paid shares of the Company. The Company may, in addition to, or in lieu of, such commission, in consideration of any person subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit. The requirements of the provisions of the Act shall be observed, as far as applicable.</p> | <p>Payment of expenses (including brokerage and commission)</p> |
| <p>16. Save to the extent permitted by the Act or the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), no part of the funds of the Company shall, directly or indirectly, be employed in the purchase of or subscription for or making of loans upon the security of any shares (or its holding company, if any). The Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).</p> | <p>Company's shares as security</p> |
| <p>17. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period (except treasury shares), and, subject to the conditions and restrictions mentioned in Section 78 of the Act, may charge the same to capital as part of the cost of the construction of the works or building or the provision of the plant.</p> | <p>Power to charge interest on capital</p> |

18. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

Company
need not
recognise trust

SHARE CERTIFICATES

19. Every person whose name is entered as a Member in the Register of Members shall be entitled to receive, within ten (10) Market Days (or such other period as may be prescribed or approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) from time to time or by the provisions of the Statutes) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a Member transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Member shall pay a fee not exceeding S\$2/- for each such new certificate or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
20. The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with this Constitution *mutatis mutandis*.
21. The certificate of title to shares shall be issued under the Seal in such form as prescribed by the Directors from time to time, or executed as a deed in accordance with the Act. Every certificate shall bear the autographic or facsimile signatures of at least two (2) Directors or by one (1) Director and the Secretary or some other person appointed by

Entitlement to
share
certificate

Retention of
certificate

Form of share
certificate

the Directors, and shall specify the number and the class of shares to which it relates, whether the shares are fully or partly paid up, the amount (if any) unpaid on the shares and any other information as the Act may require. The facsimile signatures may be reproduced by mechanical, electrical or other means provided the method or system of reproducing signatures has first been approved by the Directors. No certificate shall be issued representing more than one class of shares.

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| 22. (1) | Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge. | Consolidation of share certificates |
| (2) | If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2/- for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). | Sub-division of share certificates |
| (3) | In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders. | Requests by joint holders |
| 23. (1) | Subject to the provisions of the Act, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed or replaced on such evidence being produced and a letter of indemnity, undertaking and/or statutory declaration (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2/- as the Directors may from time to time require. In the case of destruction, loss or theft, the shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft. | Issue of replacement certificates |
| (2) | When any shares under the powers in this Constitution herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up. | New certificate in place of one not surrendered |

JOINT HOLDERS OF SHARES

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| 24. Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions: | Joint holders deemed holding as joint tenants |
| (a) the Company shall not be bound to register more than three (3) persons as the holders of any share, except in the case of executors, trustees or administrators of the estate of a deceased Member; | Limited to 3 joint holders |
| (b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share; | Jointly and severally liable |
| (c) on the death of any one (1) of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit; | Survivorship |
| (d) any one (1) of such joint holders may give effectual receipts for any dividend or other moneys payable or property distributable to such joint holders on or in respect of the share; and | Receipts |
| (e) only the person whose name stands first in the Register of Members as one (1) of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. | Entitlement to delivery of share certificates and notice |

TRANSFER OF SHARES

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| 25. Subject to the restrictions of this Constitution and any restrictions imposed by law or the Exchange (or where applicable, any other securities exchange upon which the shares in the Company are listed), any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the form approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), or in any other form acceptable to the Directors, and must be left at the Office (or such other place as the Directors may appoint) for registration, accompanied by the certificate(s) of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares. | Form of transfer |
| 26. Shares of different classes shall not be comprised in the same instrument of transfer. | Different classes of shares |
| 27. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered | Transferor and transferee to execute transfer |

in the Register of Members in respect thereof; Provided always that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do.

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| 28. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. | Retention of transfer |
| 29. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same. | Infant, bankrupt or mentally disordered |
| 30. Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, | Destruction of transfer |

Provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this regulation; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

31. (1) There shall be no restriction on the transfer of fully paid up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. Directors' power to decline to register
- (2) The Directors may decline to recognise any instrument of transfer of shares unless:
- (a) a fee not exceeding S\$2/- (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) as the Directors may from time to time require, is paid to the Company in respect thereof; Payment of fee and deposit of transfer
 - (b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;
 - (c) the instrument of transfer is deposited at the Office (or such other place as the Directors may appoint) and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one (1) class of shares.
32. If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) give to the transferor and to the transferee notice of their refusal to register as required by the Act. Notice of refusal to register
33. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine; Provided always that it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided always that the Company shall give prior notice of such closure as may be required to the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), stating the period and purpose or purposes for which the closure is to be made. Closure of Register of Members

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| 34. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. | Renunciation of allotment |
| 35. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, trustees, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto. | Indemnity against wrongful transfer |

TRANSMISSION OF SHARES

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| 36. In the case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors, trustees or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share solely or jointly held by him. | Transmission on death |
| 37. In the case of the death of a Member who is a Depositor, the survivors or survivor where the deceased was a joint holder, and the executors, trustees or administrators of the deceased where he was a sole holder and where such executors, trustees or administrators are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him. | Transmission on death of Depositor |
| 38. (1) Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of any Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs or any person becoming entitled to a share by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, elect either to be registered himself as holder of the share or transfer the share to some other person, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member. | Person becoming entitled in certain circumstances may be registered |

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| <p>(2) If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the share to another person he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by the person from whom the title by transmission is derived.</p> | <p>Requirements regarding transmission of shares</p> |
| <p>(3) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.</p> | <p>Notice to register to unregistered executors and trustees</p> |
| <p>39. Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to regulation 36, 37 or 38 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the Member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered or named in the Depository Register himself or to transfer the share, and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.</p> | <p>Rights of unregistered persons entitled to a share</p> |
| <p>40. There shall be paid to the Company in respect of the registration of any probate, letter of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2/-, or such other sum as may be approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) from time to time, as the Directors may from time to time require or prescribe.</p> | <p>Fees for registration of probate etc.</p> |

CALLS ON SHARES

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| <p>41. The Directors may from time to time, as they think fit, make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and each Member shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.</p> | <p>Directors may make calls on shares</p> |
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| 42. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. | Time when new call made |
| 43. If before or on the day appointed for payment thereof, a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at such rate not exceeding ten per cent (10%) per annum as the Directors may determine from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part. | Interest and other late payment costs |
| 44. Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date fixed for payment and, in the case of non-payment, the provisions of this Constitution as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of this Constitution shall apply as if such sum were a call duly made and notified as hereby provided. | Sum due on allotment or other fixed date |
| 45. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the time of payment of such calls. | Power of Directors to differentiate |
| 46. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at a rate agreed between the Member paying such sum and the Directors provided that such rate may not exceed eight per cent (8%) per annum without the sanction of the Company in general meeting. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide. | Payment in advance of calls |

FORFEITURE OF SHARES

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| 47. If a Member fails to pay the whole or any part of any call or instalment of a call by or on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. | Notice requiring payment of unpaid calls |
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| 48. The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. | Notice to state time and place of payment |
| 49. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. | Forfeiture of shares for non-compliance with notice |
| 50. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared. | Forfeiture to include all dividends |
| 51. The Directors may accept a surrender of any share liable to be forfeited hereunder. | Directors may accept surrender in lieu |
| 52. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. | Extinction of forfeited share |
| 53. Notwithstanding any such forfeiture, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. | Directors may allow forfeited share to be redeemed |
| 54. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, re-allotment or other disposition, the Directors are empowered to or may authorise some other person to transfer the shares to the purchaser. | Sale of forfeited shares |
| 55. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. | Company may receive consideration of sale |

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| 56. If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs. | Application of residue of proceeds of forfeiture |
| 57. A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at the rate of ten per cent (10%) per annum (or such lower rate as the Directors may approve) from the date of the forfeiture or surrender until payment in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. The Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment either wholly or in part. | Liabilities of Members whose shares forfeited |
| 58. Notice of any forfeiture shall forthwith be given to the holder of the share forfeited or to the person entitled by transmission to the share forfeited as the case may be. An entry of the forfeiture with the date thereof and the fact of the notice given shall be made in the Register of Members or in the Depository Register (as the case may be) opposite the share. The provisions of this regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid. | Notice of forfeiture |

LIEN ON SHARES

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| 59. (1) The Company shall have a first and paramount lien and charge on all the shares not fully paid up in the name of a Member (whether solely or jointly with others) and all dividends, interest and other distributions from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this regulation. | Company's lien |
| (2) No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any). | |
| 60. For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for fourteen (14) days after such notice. To give effect to any such sale or other disposition, the Directors are empowered or may authorise some other person to transfer the shares to the purchaser. | Sale of shares subject to lien |

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| <p>61. The net proceeds of any such sale shall be applied in or towards satisfaction of the unpaid calls and accrued interest and expenses due from the Member to the Company in respect of the shares and the residue (if any) shall be paid to the person whose shares have been forfeited or his executors, trustees, administrators or assignees or as he directs; Provided always that the Company shall be entitled to a lien upon such residue in respect of any money due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof.</p> | <p>Application of proceeds of sale</p> |
| <p>62. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser's name in the Register of Members as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of the transfer or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money. After his name has been entered in the Register of Members the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p> | <p>Transfer and title to shares sold</p> |
| <p>63. A statutory declaration in writing by a Director that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.</p> | <p>Statutory declaration that share duly forfeited</p> |

CONVERSION OF SHARES INTO STOCK

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| <p>64. The Company may from time to time by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert such stock into paid up shares.</p> | <p>Conversion from share to stock and back to share</p> |
| <p>65. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in general meeting shall direct, but in the absence of such direction, the respective interests may be transferred in the same manner and subject to the same regulations as the shares from which the stock arose would have been transferred prior to conversion or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable.</p> | <p>Transfer of stock</p> |

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| <p>66. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not, if existing in shares, have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.</p> | <p>Rights of stock-holders</p> |
| <p>67. All such provisions of this Constitution as are applicable to paid up shares shall apply to stock and in all such provisions the words 'share' and 'shareholder' shall include 'stock' and 'stockholder'.</p> | <p>Interpretation</p> |

ALTERATIONS OF CAPITAL

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| <p>68. (1) Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all new shares shall before issue be offered to such Members who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this regulation 68(1).</p> | <p>Offer of new shares to members</p> |
| <p>(2) Notwithstanding regulation 68(1), the Company may by Ordinary Resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:—</p> <p>(a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or</p> <p style="padding-left: 40px;">(ii) make or grant offers, agreements or options (collectively, 'Instruments') that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and</p> <p>(b) (notwithstanding that the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,</p> | <p>General authority for Directors to issue new shares and make or grant Instruments</p> |

Provided always that:–

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed);
 - (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) for the time being in force (unless such compliance is waived by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) and this Constitution; and
 - (3) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
69. Notwithstanding regulation 68 above but subject to the Act, the Directors shall not be required to offer any new shares or make or grant any Instruments to Members to whom by reason of foreign securities laws such offer of shares or making or granting of Instruments may not be made without registration of the shares or Instruments or a prospectus or other document, but may, at their absolute discretion and on such terms and conditions as the Directors deem fit, sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.
70. Subject to any directions that may be given in accordance with the powers contained in this Constitution, any capital raised by the creation of new shares shall be considered as part of the original capital as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.
71. (1) The Company may by Ordinary Resolution or as otherwise permitted by the provisions of the Statutes:
- (a) consolidate and divide all or any of its shares;
 - (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Statutes and this Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

Capital raised
deemed
original capital

Power to
consolidate,
cancel and
sub-divide
shares

- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the number of the shares so cancelled; and
 - (d) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.
- (2) The Company may by Special Resolution and subject to and in accordance with the Statutes, convert one class of shares into another class of shares. Power to convert shares.
- 72. (1) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law. Reduction of share capital
- (2) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. The Company may deal with any such share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share). Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly. Power to repurchase shares

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

- 168. The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to regulation 68(2)): Power to capitalise profits
 - (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to regulation 68(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

- (b) capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to regulation 68(2)) such other date as may be determined by the Directors),

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

169. The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under regulation 168, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.

Directors to give effect to bonus issues and/or capitalisation

170. In addition and without prejudice to the powers provided for by regulations 168 and 169 above, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:

Power to issue free shares and/or to capitalise reserves for employee share-based incentive plans

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in general meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under regulation 102(1) and/or regulation 102(2) approved by Members in general meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

2. RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

73. Save as otherwise permitted under the Act, an annual general meeting shall be held once in every year and in accordance with the requirements of the Act, at such time and place as may be determined by the Directors, but not more than four (4) months shall be allowed to elapse between the end of each financial year and such general meeting, unless the Registrar authorises an extension of time to hold such general meeting or as otherwise permitted by the Act. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Company shall hold all its general meetings in Singapore (unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation) or such other jurisdiction as may be permitted by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).
74. The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition by Members in accordance with the Act or in default may be convened by such requisitionist as provided for under the Act. If at any time there are not within Singapore sufficient Directors capable of action to form a quorum at a meeting of Directors, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be convened by the Directors.

Annual general meetings and extraordinary general meetings

Calling for extraordinary general meetings

NOTICE OF GENERAL MEETINGS

75. Any general meeting at which it is proposed to pass Special Resolutions or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) clear days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) clear days' notice in writing. The notice must specify the place, the day and the hour of the meeting. Such notice shall be given in the manner hereinafter mentioned to all Members other than those who are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange (and where applicable, to any other securities exchange upon which the shares in the Company are listed).

Notice of meeting

Subject to the provisions of the Act and the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed:

Shorter notice

- (a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

Accidental omission

76. Notice of every general meeting shall be given in any manner authorised by this Constitution to:

Persons to whom notice of meeting is to be given

- (a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;
- (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the meeting;
- (c) every Director;
- (d) the Auditors, without prejudice to regulation 178; and
- (e) the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).

No other person shall be entitled to receive notices of general meetings; Provided always that if the meeting is called for the alteration of the objects of the Company, the notice shall comply with the provisions of Section 33 of the Act regarding notices to debenture holders.

77. There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that such proxy need not be a Member.

Contents of notice for general meeting

78. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:

Routine and special business

- (a) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;

- (b) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (c) fixing of the fees of Directors proposed to be paid under regulation 102(1);
- (d) declaring dividends; and
- (e) appointing or re-appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

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| <p>79. In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.</p> | <p>Notice to specify nature of special business</p> |
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PROCEEDINGS AT GENERAL MEETINGS

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| <p>80. No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this regulation, 'Member' includes a person attending as a proxy and a corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act and such corporation's representative is not otherwise entitled to be present at the meeting as a Member or proxy or as a corporate representative of another Member. Provided always that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one (1) proxy such proxies shall count as only one (1) Member for the purpose of determining the quorum.</p> | <p>Quorum</p> |
| <p>81. If within half an hour from the time appointed for the holding of a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday then the next business day following that public holiday) at the same time and place or to such other day, time or place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.</p> | <p>Adjournment if quorum not present</p> |

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| 82. The Chairman of the Board or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every general meeting, but if there be no such Chairman or Deputy Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting. | Chairman |
| 83. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or <i>sine die</i>) and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned <i>sine die</i> , the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty (30) days or more or <i>sine die</i> , notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting. | Adjournment
by chairman |
| 84. (1) If required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)). | Mandatory
Polling |
| (2) Subject to regulation 84(1), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: | Method of
voting where
mandatory
polling not
required |
| (a) the Chairman of the meeting; or | |
| (b) at least two (2) Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote thereat; or | |
| (c) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting; or | |
| (d) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent (5%) of the total sum paid up on all the shares conferring that right. | |

A demand for a poll made pursuant to regulation 84(2) may be withdrawn only with the approval of the Chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is so demanded (and the demand is not withdrawn), a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

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| <p>85. Subject to regulation 86, where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time (not being more than thirty (30) days from the date of the meeting) and place as the Chairman of the meeting may direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. No notice need be given of a poll not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive. The Chairman of the meeting may (and, if required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.</p> | <p>How a poll is to be taken</p> |
| <p>86. A poll on the election of a Chairman of a meeting or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time as the Chairman of the meeting may direct. No notice need be given of a poll not taken at once.</p> | <p>Time for taking a poll</p> |
| <p>87. Subject to the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), if at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, or if votes are not counted which ought to have been counted, the error shall not vitiate the result of the vote unless it is pointed out at the same meeting at which the vote is taken or at any adjournment thereof, and is in the opinion of the Chairman of sufficient magnitude to vitiate the result of the voting. The decision of the Chairman of the meeting on such matters shall be final and conclusive.</p> | <p>Error in counting votes</p> |
| <p>88. The Members may, if the Directors at their absolute discretion deem fit, participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.</p> | <p>Meetings via electronic means</p> |

VOTES OF MEMBERS

89. (1) Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Voting rights of Members
- (2) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 9, every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall have one (1) vote for every share which he holds or represents, Provided always that:
- (a) where a Member is represented by one (1) or more proxies and the voting is conducted by way of a poll, the provisions of regulation 93 shall apply; and
- (b) where a Member who is not a relevant intermediary is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
- (c) where a Member who is a relevant intermediary is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.
- (3) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company.
90. A Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show of hands or on a poll, by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, but no person claiming to vote pursuant to this regulation shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than seventy-two (72) hours before the time for holding the meeting at which he wishes to vote. Voting rights of Members who are mentally disordered
91. In the case of joint Members, any one (1) of such Members may vote and be reckoned in a quorum at any general meeting, whether in person or by proxy, but if more than one (1) such Member is present at the meeting, then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the Voting rights of joint holders

exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors, trustees or administrators of a deceased Member in whose name any share stands shall for the purpose of this regulation be deemed joint holders thereof.

92. Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.

Right to vote

93. (1) Subject to the provisions of the Statutes:

Appointment
of proxies

- (a) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. Where such Member's form of proxy appoints more than one (1) proxy, the proxy form shall specify the proportion of the Member's shareholding to be represented by each proxy and if no such proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and any second-named proxy shall be deemed to be an alternate to the first-named; and
- (b) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member, and the proxy form shall specify the number and class of shares in relation to which each proxy has been appointed. If the form does not specify the required information, the first-named proxy shall be deemed to represent 100% of the shareholdings.

- (2) In any case where a Member is a Depositor, the Company shall be entitled:

Shares
entered in
Depository
Register

- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

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| (3) | The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. | Notes and instructions |
| (4) | A proxy or attorney need not be a Member. | Proxy need not be a Member |
| (5) | Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative. | |
| (6) | A Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a general meeting shall not be precluded from attending and voting in person at that general meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant general meeting. | Attendance of Member at meeting |
94. (1) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (a) in the case of an individual, shall be:
 - (i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (b) in the case of a corporation, shall be:
 - (i) either given under its common seal, executed as a deed in accordance with the Act or signed on its behalf by an attorney or a duly authorised officer of the corporation, or in some other manner approved by the Directors, if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of this regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (2) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to regulation 95(1), failing which the instrument may be treated as invalid.

Witness and
authority

- (3) The Directors may, in their absolute discretion:

- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

Directors may
approve
method and
manner, and
designate
procedure, for
electronic
communications

as contemplated in regulations 94(1)(a)(ii) and 94(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), regulation 94(1)(a)(i) and/or (as the case maybe) regulation 94(1)(b)(i) shall apply.

- (4) The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy, including authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

95. (1) An instrument appointing a proxy:

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this regulation 95 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

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| <p>(2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in regulation 95(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulation 95(1)(a) shall apply.</p> | <p>Directors may specify means for electronic communications</p> |
| <p>(3) In the event that forms of proxy are sent to Members together with any notice of meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by, any person entitled to receive a notice of meeting shall not invalidate any resolution passed or any proceeding at any such meeting.</p> | <p>Accidental omission of proxy form</p> |
| <p>96. Unless otherwise directed by the Chairman of the meeting, a vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office at least one (1) hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.</p> | <p>Intervening death or mental disorder of Member</p> |
| <p>97. Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this regulation.</p> | <p>Corporations acting via representative</p> |
| <p>98. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision as to its validity shall be final and conclusive.</p> | <p>Objections</p> |
| <p>99. Subject to this Constitution and any applicable legislation, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail, or facsimile.</p> | <p>Voting in absentia</p> |

3. RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

DIVIDENDS AND RESERVES

155. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this regulation, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.
156. The Directors may, from time to time, set aside out of the profits of the Company and carry to reserve, such sum or sums as they think proper which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application, may either be employed in the business of the Company or be invested. The Directors may divide the reserve fund into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.
157. The Directors may, upon the recommendation of the Directors and with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed dividends (either in cash or in specie) on any class of shares carrying a fixed dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates and in respect of such periods as they may think fit.
158. The Company may upon the recommendation of the Directors by Ordinary Resolution, direct payment of a dividend in whole or in part in specie by the distribution of specific assets (and in particular of paid-up shares or debentures or debenture stock of any other company or any combination of any specific assets) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Members in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member.

Apportionment
of dividends

Power to set
aside profits
as reserve

Declaration
and payment
of dividends

Payment of
dividends in
specie

159. (1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this regulation;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect of which the share election has been duly exercised (the "elected shares") and in lieu of cash and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of regulation 168, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

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| <p>(2) (a) The shares of the relevant class allotted pursuant to the provisions of paragraph (1) of this regulation shall rank <i>pari passu</i> in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.</p> <p>(b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this regulation, with full power to make such provisions as they may think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of the Members interested into agreement(s) with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.</p> | <p>Ranking of shares and other actions</p> |
| <p>(3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this regulation shall be read and construed subject to such determination.</p> | <p>Record date</p> |
| <p>(4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, further determine that:–</p> <p>(a) no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and, in such event, the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and</p> | <p>Cash in lieu of shares</p> |

(b) no allotment of shares or rights of election for shares under paragraph (1) of this regulation shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary.	
(5) Notwithstanding the foregoing provisions of this regulation, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this regulation in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interests of the Company, cancel the proposed application of paragraph (1) of this regulation.	Cancellation
160. No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).	No right to dividends where calls outstanding
161. The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct.	Deduction from debts due to Company
162. A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.	Effect of transfer of shares
163. (1) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Retention of dividends on shares subject to lien
(2) The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.	Retention of dividends on shares pending transmission
164. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.	Waiver of dividends

165. (1) Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or (as the case maybe) to the Depository for distribution to the Depositors entitled thereto or to such Member or person at such address as such persons may in writing direct or by such means (including, by electronic means) as the Directors may decide at their absolute discretion. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby and the Company shall not be responsible for the loss of any cheque or warrant sent through the post, which shall be sent by post duly addressed to the Member for whom it is intended.
- Dividend paid by cheque or warrant
- (2) Notwithstanding the provisions of paragraphs (1) and (3) of this regulation, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.
- Payment to Depository good discharge
- (3) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.
- Resolution declaring dividends
166. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever.
- Unclaimed dividends or other moneys
167. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.”
- No interest on dividends

BASES AND ASSUMPTIONS OF THE STATEMENT OF PROSPECTS

The Directors have not issued a profit forecast for the Group for the six months ended 30 September 2022 (“**2H2022**”) and financial year ended 30 September 2022 (“**FY2022**”) in connection with the Offer.

The Company has disclosed in Section 9.5 of Appendix III to the Circular with respect to all known material changes in the financial position of the Company subsequent to 30 September 2021 (being the last published audited consolidated accounts of the Company) the following Statement of Prospects:

*“The Group expects a material decrease in the Group’s FY2022 net profit as compared against the Group’s last published audited FY2021 accounts, driven mainly by the preliminary yet to be finalised annual impairment exercise on goodwill arising from the Group’s acquisition of Asian Anaesthesia Care Pte. Ltd. (“**AAC**”) in November 2018 and share of loss of associate arising from the Group’s investment in Fansipan 2 Holdings Pte. Ltd. (“**Associate**”). Accordingly, the carrying values of goodwill and investment in Associate as at 30 September 2022 are expected to be lower than the carrying values previously reported as at 30 September 2021.”*

The Statement of Prospects referred to above, for which the Directors are solely responsible, was made on bases consistent with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the financial year ended 30 September 2021. It was based on the following assumptions and/or information available as at the date of this Circular, being the date which the Statement of Prospects was made:

- (a) There will be no significant changes in the existing political, economic, legal or regulatory conditions affecting the activities of the Group, the industry, the countries in which the Group operates;
- (b) There will be no significant changes in the principal activities, management and organisational structure of the Group;
- (c) There will be no material changes in the accounting policies which may adversely affect the results of the Group;
- (d) There will be no material acquisitions or disposals of assets by the Group;
- (e) There will be no material changes in the relationships the Group has with its major suppliers and doctors which may affect the Group’s business;
- (f) Save for the rising interest rate environment, there will be no material changes to the tax legislation, bases or rates of taxation, provident fund contributions, and government levies from those then prevailing;
- (g) The major operating cost of the Group is staff costs. There was an increase in staff costs during FY2022 mainly due to revised remuneration schemes for doctors;
- (h) Save for the higher discount rate, higher staff costs and lower market equity multiple of comparable healthcare companies, there will be no material changes to methods and assumptions used in the determination of the recoverable amounts of cash-generating units containing goodwill, that may adversely affect the carrying amount of goodwill;
- (i) There was an increase in share of loss of Associate during FY2022 mainly due to goodwill impairment recorded in Associate’s financial information; and
- (j) Save for the COVID-19 pandemic, there will be no pandemic diseases, natural disasters, acts of God that may affect the Group’s operations and the competitive environment in which the Group operates.

LETTER FROM THE AUDITORS IN RELATION TO THE STATEMENT OF PROSPECTS



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REPORT ON AGREED-UPON PROCEDURES IN RELATION TO THE STATEMENT OF PROSPECTS OF ASIAN HEALTHCARE SPECIALISTS LIMITED (THE “COMPANY”) AND ITS SUBSIDIARIES (THE “GROUP”)

Asian Healthcare Specialists Limited
38 Irrawaddy Road #09-42
Singapore 329563

Attention: The Board of Directors

Purpose of this agreed-upon procedures report and restriction on use

On 10 November 2022, the Company included the following statement on the prospects of the Group:

“The Group expects a material decrease in the Group’s FY2022 net profit as compared against the Group’s last published audited FY2021 accounts, driven mainly by the preliminary yet to be finalised annual impairment exercise on goodwill arising from the Group’s acquisition of Asian Anaesthesia Care Pte. Ltd. (“AAC”) in November 2018 and share of loss of associate arising from the Group’s investment in Fansipan 2 Holdings Pte. Ltd. (“Associate”). Accordingly, the carrying values of goodwill and investment in Associate as at 30 September 2022 are expected to be lower than the carrying values previously reported as at 30 September 2021.”

The statement on the prospects of the Group above is referred to as the “Statement of Prospects” in the Circular dated 10 November 2022 to be issued to the shareholders of the Company in connection with the voluntary conditional cash offer by DBS Bank Ltd., for and on behalf of Labrador Park Pte. Ltd. (the “Offeror”), to acquire all of the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror (the “Circular”).

Our report is solely for the purpose of assisting the Board of Directors of the Company in determining whether the Statement of Prospects has been properly prepared in accordance with the assumptions determined by the management of the Company (the “Management”), as set out in Appendix V of the Circular and whether they are consistent with the accounting policies adopted by the Group for the purpose of meeting regulatory requirements applicable under the Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore (the “Code”), and may not be suitable for another purpose.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act 2005 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Our report is provided in accordance with the terms of our engagement letter dated 2 November 2022. Our report is intended solely for the Company and we do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report. This report relates only to the information and items specified above and does not extend to any financial statements of the Company and of the Group, taken as a whole.

Responsibilities of the engaging party

The Board of Directors of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Directors of the Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioners' responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Singapore Standard on Related Services SSRS 4400 (Revised) *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional ethics and quality control

We have complied with the ethical requirements of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) and the independence requirements in Part 4A of the ACRA Code.

Our firm applies Singapore Standard on Quality Control SSQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Procedures and findings

We have performed the procedures described below, which were agreed upon with the Management in the terms of engagement, on the Statement of Prospects.

- a) Compared for consistency the assumptions as set out in Appendix V of the Circular with the assumptions used in the forecasts prepared by the Management;
- b) Checked the arithmetic accuracy of the forecasts supporting the Statement of Prospects; and
- c) Read and compared for consistency the accounting policies on which the forecasts were prepared with the accounting policies as set out in the audited consolidated financial statements of the Group for the financial year ended 30 September 2021.

No exceptions were found as a result of applying the procedures.



KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
10 November 2022

LETTER FROM THE IFA IN RELATION TO THE STATEMENT OF PROSPECTS



10 November 2022

ASIAN HEALTHCARE SPECIALISTS LIMITED

38 Irrawaddy Road
#09-42 Singapore 329563

Attention: The Board of Directors

VOLUNTARY CONDITIONAL CASH OFFER (THE “OFFER”) BY DBS BANK LTD. FOR AND ON BEHALF OF LABRADOR PARK PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES IN THE CAPITAL OF ASIAN HEALTHCARE SPECIALISTS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE “OFFER SHARES”)

Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the circular to shareholders of Asian Healthcare Specialists Limited (the “Company”) dated 10 November 2022 issued by the Company in connection with the Offer (the “Circular”).

1. This letter has been prepared in accordance with Rule 25 of the Singapore Code on Takeovers and Mergers (the “Code”) and for inclusion in the Circular.
2. As set out in Section 9.5 of Appendix III to the Circular, the Company made the following statement which is deemed as a statement of prospects under Rule 25 of the Code (the “Statement of Prospects”):

“The Group expects a material decrease in the Group’s FY2022 net profit as compared against the Group’s last published audited FY2021 accounts, driven mainly by the preliminary yet to be finalised annual impairment exercise on goodwill arising from the Group’s acquisition of Asian Anaesthesia Care Pte. Ltd. (“AAC”) in November 2018 and share of loss of associate arising from the Group’s investment in Fansipan 2 Holdings Pte. Ltd. (“Associate”). Accordingly, the carrying values of goodwill and investment in Associate as at 30 September 2022 are expected to be lower than the carrying values previously reported as at 30 September 2021.”

As set out in Appendix V to the Circular, the Directors have not issued a profit forecast for the Group for the six months ended 30 September 2022 (“2H2022”) and financial year ended 30 September 2022 (“FY2022”) in connection with the Offer. Accordingly, the Statement of Prospects should not be regarded as a profit forecast of the Group.

3. We have discussed the bases and assumptions underlying the Statement of Prospects with the management of the Company as reproduced in Appendix V to the Circular.

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

Address 地址 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号, 珊顿大厦 24-02, 新加坡邮区 068805

Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>



4. We have noted and have considered the letter dated 10 November 2022 addressed to the Board of Directors by KPMG LLP in relation to the Statement of Prospects. A copy of the letter from KPMG LLP is set out in Appendix VI to the Circular.
5. We have also reviewed the information in relation to the Statement of Prospects as provided by the Company. We have relied upon the accuracy and completeness of such information provided to us and have assumed such accuracy and completeness for the purpose of this letter. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, and do not accept any responsibility for the accuracy or completeness of such information. We have also not undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Group.
6. Based on the foregoing, we are of the opinion that the Statement of Prospects had been issued after due and careful enquiry.

Save as provided in this letter, we do not express any other opinion or view on the Statement of Prospects.
7. This letter is provided to the Directors for the sole purpose of complying with the Rule 25 of the Code. We do not accept any responsibility to any other person(s) other than the Directors, in respect of, or arising from, or in connection with this letter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2021**

The directors' statement and Independent Auditor's Report dated 14 December 2021 in relation to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2021 was not issued in contemplation, or for the purposes, of the issue of the Circular.

The directors' statement and Independent Auditor's Report dated 14 December 2021 in relation to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2021 can also be referred to in the FY2021 Annual Report.

A copy of the FY2021 Annual Report is available for inspection at the registered office of the Company at 38 Irrawaddy Road, #09-42, Singapore 329563 during normal business hours for the period during which the Offer remains open for acceptance. The FY2021 Annual Report is also available on the websites of the Company and the SGX-ST at <https://asianhealthcare.com.sg/> and <https://www.sgx.com/> respectively.

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 September 2021.

In our opinion,

- (a) the financial statements of Asian Healthcare Specialists Limited (the "Company") and its subsidiaries (the "Group") set out on pages VIII-12 to VIII-76 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 September 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Chin Pak Lin
Yue Wai Mun
Vikram Nair
Siek Wei Ting
Leow Chung Chong Yam Soon
Cheng Ching Li
Yeo Wee Kiong

Directors' interests

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Chin Pak Lin		
AHS Investments Holdings Pte. Ltd.		
– ordinary shares	2	2
Asian Healthcare Specialists Limited		
– deemed interests	243,100,000	243,100,000
Cornerstone Asia Health Pte. Ltd.		
– deemed interests	34,862,538	68,357,917
Yue Wai Mun		
AHS Investments Holdings Pte. Ltd.		
– ordinary shares	2	2
Asian Healthcare Specialists Limited		
– deemed interests	243,100,000	243,100,000
Cornerstone Asia Health Pte. Ltd.		
– deemed interests	34,862,538	68,357,917
Cheng Ching Li		
Asian Healthcare Specialists Limited		
– ordinary share	27,360,838	49,310,528
Cornerstone Asia Health Pte. Ltd.		
– ordinary share	10,125,772	–
– deemed interests	34,862,538	68,357,917

By virtue of Section 7 of the Act, Chin Pak Lin, Yue Wai Mun and Cheng Ching Li are deemed to have interests in the other subsidiaries of the Company, all of which are wholly-owned, at the beginning and at the end of the financial year.

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

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2021 (21 days after period end).

Except as disclosed under the “Share Options” sections of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

Performance shares

The Company has a performance share plan known as AHS Performance Share Plan (the “**Scheme**”) adopted on 22 March 2018.

At every annual general meeting, shareholders approve that the Directors be authorised and empowered to offer and grant performance shares under the Scheme and to issue from time to time such number of shares as may be required to be issued pursuant to the performance shares granted by the Company under the Scheme. 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.

There were no new share awards granted nor cancelled during the financial year.

Convertible shares

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

- (a) the proposed issue by the Company of one (1) zero-coupon convertible bond to the Investor in the aggregate principal amount of \$5,000,000 due in 2021 (“2018 Convertible Bonds”), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at a conversion price of \$0.25 per Conversion Share, which is subject to adjustments in accordance with the provisions of the Investment Agreement (“Adjustment Events”); and
- (b) the proposed grant by the Company of one (1) non-listed share option (“Option”) to be exercised in whole or in part, carrying the right to subscribe for such number of ordinary shares in the capital of the Company (“Option Shares”) for an aggregate consideration of \$5,000,000 at the exercise price of \$0.325 per Option Share, which is subject to the Adjustment Events.

On 31 October 2018, the Company completed the issuance.

On 22 July 2020, the Company entered into investment agreements with investors to issue zero-coupon convertible bonds in the aggregate principal amount of \$4,000,000 due in 2021 (“2020 Convertible Bonds”) and an agreement with Vanda 1 Investments Pte. Ltd. to terminate the Option.

On 3 August 2020, the Company completed the 2020 Convertible Bonds issuance and redeemed \$1,000,000 of the 2018 Convertible Bonds.

On 3 September 2020, the investors had converted \$4,000,000 of the 2020 Convertible Bonds into fully-paid ordinary shares in the capital of the Company (“Conversion Shares”), and the Company had issued and allotted 24,968,788 Conversion Shares to the investors.

On 22 September 2020, the Company had redeemed the remaining \$4,000,000 in aggregate principal amount of the 2018 Convertible Bonds at the redemption price amount of the convertible bonds.

Audit and Risk Management Committee

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

Vikram Nair
Siek Wei Ting
Leow Chung Chong Yam Soon

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

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

The Audit and Risk Management Committee also reviewed the following:

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

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

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

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

Auditors

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

On behalf of the Board of Directors

Dr Chin Pak Lin

Director

Dr Yue Wai Mun

Director

14 December 2021

KPMG LLP
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Independent auditors' report

Members of the Company
Asian Healthcare Specialists Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Asian Healthcare Specialists Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages VIII-12 to VIII-76.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Goodwill impairment assessment (\$35.1 million)

Refer to Note 3.4 & 3.8 (accounting policy) and Note 6 (financial disclosures)

The key audit matter

The Group has goodwill with a carrying value of \$35.1 million (2020: \$35.1 million) as at 30 September 2021.

The goodwill is impaired when the carrying values of the cash generating units ("CGUs") to which the goodwill was allocated, exceed their recoverable amounts.

The determination of recoverable values of goodwill involves significant estimation uncertainties, which includes developing key assumptions on discount rates, revenue growth rates and terminal growth rates.

These assumptions are key inputs used in the cash flow model prepared by the management to assess the recoverable amounts of goodwill and whether an impairment charge is required.

Management engaged an external independent valuer to assist them with the goodwill impairment assessment arising from the acquisition of Cornerstone Asia Health Pte. Ltd. ("CAH").

How the matter was addressed in our audit

We evaluated the competency, capabilities and objectivity of the independent valuer;

We involved our valuation specialist to challenge the discount rates used;

We assessed the appropriateness of management's determination of the CGUs;

Our work focused on challenging the key assumptions developed by management which were used in determining the recoverable amount of goodwill.

Our procedures for challenging management's key assumptions included:

- developing independent expectations for key assumptions such as discount rates and comparing them to those used by management;
- challenging key assumptions for revenue growth rates and terminal growth rates with reference to available economic and industry forecasts; and
- assessing the historical performance against budgets.

We have also considered the disclosures in describing the inherent degree of estimation uncertainty and key assumptions applied.

Other information

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

We have obtained all other information prior to the date of this auditors' report except for the Statistics of Shareholdings which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Asian Healthcare Specialists Limited and its subsidiaries

*Independent auditors' report
Year ended 30 September 2021*

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

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

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

Report on other legal and regulatory requirements

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

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

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

14 December 2021

Asian Healthcare Specialists Limited and its subsidiaries
Financial statements
Year ended 30 September 2021

Statements of financial position
As at 30 September 2021

		Group		Company	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Plant and equipment	4	579	608	18	147
Right-of-use assets	5	1,903	1,542	51	107
Goodwill	6	35,100	35,100	–	–
Subsidiaries	7	–	–	61,051	37,972
Associate	8	7,731	8,048	–	–
Deferred tax assets	16	11	6	–	–
Total non-current assets		45,324	45,304	61,120	38,226
Current assets					
Contract assets	18	221	172	–	–
Trade and other receivables	9	3,477	3,217	5,872	11,820
Cash and cash equivalents		12,524	9,928	3,523	3,577
Inventories	10	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	11	61,918	46,431	61,918	46,431
Reserves	12	(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	13	–	711	–	–
Total equity		50,655	47,894	65,176	48,097
LIABILITIES					
Non-current liabilities					
Lease liabilities	14	1,185	824	–	54
Loans and borrowings	15	3,685	4,900	3,685	4,900
Deferred tax liabilities	16	30	35	–	–
Total non-current liabilities		4,900	5,759	3,685	4,954
Current liabilities					
Trade and other payables	17	2,878	2,964	385	399
Current tax payable		1,279	1,300	–	17
Contract liabilities	18	62	43	–	–
Lease liabilities	14	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

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

Consolidated statement of profit or loss
Year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Revenue	18	27,563	16,934
Other income	19	648	1,051
Items of expense			
Supplies and consumables used		(3,662)	(2,253)
Purchased and contracted services		(667)	(276)
Staff costs		(11,166)	(7,492)
Depreciation		(1,152)	(883)
Other operating expenses		(3,012)	(2,201)
Impairment loss on trade receivables	26	(23)	(42)
Finance costs	20	(171)	(295)
Share of (loss)/profit of associate	8	(359)	22
Profit before tax		7,999	4,565
Tax expense	21	(1,220)	(552)
Profit for the year	22	6,779	4,013
Profit attributable to:			
Owners of the Company		4,476	2,585
Non-controlling interests	13	2,303	1,428
Profit for the year		6,779	4,013
Earnings per share			
Basic and diluted (cents)	23	0.94	0.66

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

Consolidated statement of comprehensive income
Year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Profit for the year		6,779	4,013
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Share of foreign currency translation differences of associate	8	42	(10)
Other comprehensive income for the year, net of tax		42	(10)
Total comprehensive income for the year		6,821	4,003
Total comprehensive income attributable to:			
Owners of the Company		4,518	2,575
Non-controlling interests		2,303	1,428
Total comprehensive income for the year		6,821	4,003

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

Asian Healthcare Specialists Limited and its subsidiaries
Financial statements
Year ended 30 September 2021

Consolidated statement of changes in equity
Year ended 30 September 2021

Group	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'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	25	20,209	–	–	–	20,209	–	20,209
Issuance of new shares pursuant to the performance share plan	11	175	–	–	–	175	–	175
Issuance of new shares pursuant to the conversion of convertible bonds	11	4,000	–	–	–	4,000	–	4,000
Conversion and redemption of convertible bonds		–	(198)	–	–	(198)	–	(198)
Dividend declared	11	–	–	–	(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	25	–	–	–	–	–	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

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

Asian Healthcare Specialists Limited and its subsidiaries
Financial statements
Year ended 30 September 2021

Consolidated statement of changes in equity
Year ended 30 September 2021

Group	Note	Attributable to owners of the Company					Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'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	25	12,478	-	-	-	12,478	-	12,478
Issuance of new shares	11	3,009	-	-	-	3,009	-	3,009
Dividend declared	11	-	-	-	(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	25	-	(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

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

Consolidated statement of cash flows
Year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Profit before tax		7,999	4,565
Adjustments for:			
Finance costs		171	295
Gain on termination of lease		(29)	(1)
Amortisation of transaction costs capitalised in relation to issuance of convertible bonds		–	13
Depreciation of plant and equipment	4	187	115
Depreciation of right-of-use assets	5	965	768
Plant and equipment written off		3	–
Issuance of new shares pursuant to performance share plan		–	175
Share of loss/(profit) of associate	8	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
		9,911	5,865
Cash generated from operations		9,911	5,865
Interest received		–	84
Tax paid		(1,251)	(771)
Net cash from operating activities		8,660	5,178
Cash flows from investing activities			
Purchase of plant and equipment	4	(161)	(384)
Payment for acquisition of subsidiary, net of cash acquired		–	(4,092)
Investment in an associate	8	–	(8,036)
Net cash used in investing activities		(161)	(12,512)
Cash flows from financing activities			
Payment of lease liabilities	15	(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	25	(2,500)	–
Proceeds from issuance of convertible bonds	15	–	3,000
Proceeds from issuance of new shares		3,009	–
Interest paid	15	(171)	(83)
Proceeds from bank loan	15	–	5,000
Repayment of bank loan	15	(100)	–
Redemption of convertible bonds	15	–	(4,000)
Net cash (used in)/from financing activities		(5,903)	239
Net increase/(decrease) in cash and cash equivalents		2,596	(7,095)
Cash and cash equivalents at 1 October		9,928	17,023
Cash and cash equivalents at 30 September		12,524	9,928

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 December 2021.

1 Domicile and activities

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

The principal activities of the Company are those of an investment holding company and management consultancy services. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The financial statements of the Group as at and for the year ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in its associate.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in Note 6 – impairment test of goodwill: key assumptions underlying recoverable amounts.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I)s 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)

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

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply ‘a concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree,

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

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

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

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

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

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

(iii) Acquisitions from entities under common control

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

(iv) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

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

(vi) Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the group disposes of only part of its investments in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

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

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

Furniture, fittings and office equipment	3 years
Medical equipment	3 to 8 years
Renovations	3 to 5 years
Computers	3 years

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

3.4 Goodwill

Goodwill arises upon acquisition of subsidiaries. For the measurement of goodwill at initial recognition, see note 3.1 (i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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

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

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

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

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

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

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

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

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

Issue expenses

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

(vii) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transactions costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.8 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs and contract assets.

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

3.9 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the

amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up differences between expected and actual outcomes.

3.10 Revenue recognition

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

Rendering of services

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

3.11 Government grants

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

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.12 Finance costs

The Group's finance costs include interest expense on borrowings and lease liabilities that are recognised in profit or loss.

Interest expense is recognised using the effective interest method.

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

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

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

3.13 Taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

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

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

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

3.14 Earnings per share

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

3.15 Segment reporting

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

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

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

3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018 – 2020*

4 Plant and equipment

	Note	Furniture, fittings and office equipment \$'000	Medical equipment \$'000	Renovations \$'000	Computers \$'000	Total \$'000
Group						
Cost						
At 1 October 2019		18	31	348	113	510
Additions		3	240	113	28	384
Additions pursuant to the acquisition of a subsidiary	25	19	223	11	2	255
Write-off		(10)	–	–	–	(10)
At 30 September 2020		30	494	472	143	1,139
Additions		31	94	10	26	161
Write-off		–	(2)	(38)	(22)	(62)
At 30 September 2021		61	586	444	147	1,238
Accumulated depreciation						
At 1 October 2019		13	12	299	102	426
Depreciation for the year		12	62	28	13	115
Write-off		(10)	–	–	–	(10)
At 30 September 2020		15	74	327	115	531
Depreciation for the year		15	108	45	19	187
Write-off		–	–	(37)	(22)	(59)
At 30 September 2021		30	182	335	112	659
Carrying amounts						
At 1 October 2019		5	19	49	11	84
At 30 September 2020		15	420	145	28	608
At 30 September 2021		31	404	109	35	579

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	Medical equipment \$'000	Renovations \$'000	Computers \$'000	Total \$'000
Company				
Cost				
At 1 October 2019	—	23	—	23
Additions	129	2	2	133
At 30 September 2020	129	25	2	156
Additions	15	2	10	27
Disposals	(144)	—	—	(144)
At 30 September 2021	—	27	12	39
Accumulated depreciation				
At 1 October 2019	—	—*	—	—*
Depreciation for the year	—	9	—*	9
At 30 September 2020	—	9	—*	9
Depreciation for the year	—	9	3	12
At 30 September 2021	—	18	3	21
Carrying amounts				
At 1 October 2019	—	23	—	23
At 30 September 2020	129	16	2	147
At 30 September 2021	—	9	9	18

* Less than 1,000.

5 Right-of-use assets

	Note	Leased offices, clinics and equipment \$'000
Group		
Cost		
At 1 October 2019		–
Recognition of right-of-use assets on initial application of SFRS(I) 16		1,494
Adjusted balance at 1 October 2019		1,494
Additions pursuant to the acquisition of a subsidiary	25	757
Additions		185
Derecognition of right-of-use assets		(173)
At 30 September 2020		2,263
Additions		1,745
Derecognition of right-of-use assets		(686)
At 30 September 2021		3,322
Accumulated depreciation		
At 1 October 2019		–
Depreciation for the year		768
Derecognition of right-of-use assets		(47)
At 30 September 2020		721
Depreciation for the year		965
Derecognition of right-of-use assets		(267)
At 30 September 2021		1,419
Carrying amounts		
At 1 October 2019		–
At 30 September 2020		1,542
At 30 September 2021		1,903

		Leased office \$'000
Company		
Cost		
At 1 October 2019		–
Recognition of right-of-use asset on initial application of SFRS(I) 16		163
Adjusted balance at 1 October 2019/At 30 September 2020/ 30 September 2021		163
Accumulated depreciation		
At 1 October 2019		–
Depreciation for the year		56
At 30 September 2020		56
Depreciation for the year		56
At 30 September 2021		112
Carrying amounts		
At 1 October 2019		–
At 30 September 2020		107
At 30 September 2021		51
6 Goodwill		
	Note	Group \$'000
Cost		
At 1 October 2019		10,144
Addition pursuant to the acquisition of a subsidiary	25	24,956
At 30 September 2020/30 September 2021		35,100
Carrying amounts		
At 1 October 2019		10,144
At 30 September 2020		35,100
At 30 September 2021		35,100

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 ("OPTHA")	8,646	8,646
	35,100	35,100

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.

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
OPTHA	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
OPTHA	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.

	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)
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)

7 Subsidiaries

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

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") (Note 25)	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

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Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2021 %	2020 %
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
<i>Held by CAH</i>				
Ng Tay Meng Gastrointestinal and Liver Clinic Pte. Ltd. (Note 25)	Singapore	Provision of gastroenterology services	100	51
Ng Tay Meng G.I. HEP. Services Pte. Ltd. (Note 25)	Singapore	Provision of gastroenterology services	100	51
GS Medic Pte. Ltd. (Note 25)	Singapore	Provision of general practitioner services	100	51
Urology Novena Pte. Ltd. (Note 25)	Singapore	Provision of urology services	100	51
URO Centre Pte. Ltd. (Note 25)	Singapore	Provision of urology services	100	51
Urology Surgery Pte. Ltd (Note 25)	Singapore	Provision of urology services	100	51
Skin Consultancy Pte. Ltd. (Note 25)	Singapore	Provision of dermatology services	100	51

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Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2021 %	2020 %
Bobcheng Pte. Ltd. (Note 25)	Singapore	Provision of ophthalmology and optometry consultancy services	100	51
RSI Medical Pte. Ltd. (Note 25)	Singapore	Provision of ophthalmology and optometry services	100	51

KPMG LLP is the auditor of all significant subsidiaries.

8 Associate

	Group	
	2021 \$'000	2020 \$'000
Interest in associate	7,731	8,048

An associated company is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

As at 30 September 2021, the Group has one material associate. The Group had determined that it has significant influence on 21 August 2020. The associate is equity accounted.

Fansipan 2 Holdings Pte. Ltd. ("Fansipan2")	
Nature of business	Healthcare investments
Principal place of business/Country of incorporation	Singapore
Ownership interest/Voting rights held	23.81% (2020: 23.81%)

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The following summarises the financial information of the Group's material associate, based on its consolidated financial statements prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

2021	Fansipan2 \$'000
Revenue	6,953
Loss for the year	(1,508)
Other comprehensive income	176
Total comprehensive income	(1,332)
Non-current assets	31,924
Current assets	6,695
Non-current liabilities	(1,344)
Current liabilities	(4,804)
Net assets	32,471
Group's interest in net assets of investee at beginning of the year	8,048
Group's share of:	
– loss for the year	(359)
– other comprehensive income	42
– total comprehensive income	(317)
Carrying amount of interest in investee at end of the year	7,731

The following table summarises the carrying amount and share of profit and other comprehensive income of the associate that is accounted for using the equity method in 2020:

2020	Fansipan2 \$'000
Group's interest in net assets of investee during the year	8,036
Group's share of:	
– profit for the year	22
– other comprehensive income	(10)
– total comprehensive income	12
Carrying amount of interest in investee at end of the year	8,048

9 Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade				
Trade receivables	2,973	2,623	1,074	487
Less: Impairment losses	(154)	(230)	—	—
	2,819	2,393	1,074	487
Amounts due from subsidiaries (non-trade)	—	—	4,759	11,155
Other receivables	4	374	—	155
Deposits	174	253	16	16
Prepayments	480	197	23	7
	3,477	3,217	5,872	11,820

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

Amounts due from subsidiaries (non-trade) are unsecured, interest free and repayable on demand. Included in the amount is dividend receivable from its subsidiaries amounting to \$1,906,000 (2020: \$1,001,000).

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 26.

10 Inventories

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
At cost				
Pharmacy supplies	185	175	—	—

Pharmacy supplies recognised as "supplies and consumables used" in statement of profit or loss amounted to \$1,871,000 (2020: \$899,000).

There was no write-down in value of inventories during the current financial year and prior financial year.

11 Share capital

Company	Ordinary shares	
	2021	2020
	No. of shares	
	'000	'000
In issue at 1 October	455,933	325,893
New shares issued pursuant to acquisition of a subsidiary ⁽¹⁾	—	104,171
New shares issued pursuant to performance share plan ⁽²⁾	—	900
New shares issued pursuant to conversion of convertible bonds ⁽³⁾	—	24,969
New shares issued pursuant to a private placement ⁽⁴⁾	17,700	—
New shares issued pursuant to acquisition of non-controlling interests ⁽⁵⁾	72,973	—
In issue at 30 September	<u>546,606</u>	<u>455,933</u>

All shares rank equally with regard to the Company's residual assets.

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 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 S\$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.

Dividends

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

For the year ended 30 September	2021 \$'000	2020 \$'000
Paid by the Company to owners of the Company		
Final dividend of \$0.0090 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>

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

12 Reserves

The reserves of the Group and the Company comprise the following balances:

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other reserves					
– Merger reserve		(2,431)	(2,431)	–	–
– Equity component of convertible bonds		357	357	357	357
– Acquisition of non-controlling interests	25	(13,860)	–	–	–
		(15,934)	(2,074)	357	357
Translation reserve		32	(10)	–	–
		(15,902)	(2,084)	357	357

Merger reserve

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

Equity component of convertible bonds

The reserve comprises the equity component of the convertible bonds, which have been fully redeemed by September 2020.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

13 Non-controlling interests

On 19 February 2020, the Group acquired 51% issued and paid up shares in the share capital of CAH. On 30 July 2021, the Group's equity interest in CAH increased from 51% to 100% (see Note 25). Accordingly, the information below is only for period from 20 February 2020 to 30 September 2020.

The following subsidiary has material non-controlling interest:

Name of subsidiary	Country of incorporation	Operating segment	Ownership interest held by non-controlling interest	
			2021 %	2020 %
CAH and its subsidiaries	Singapore	Other medical services	–	49

The following summarises the consolidated financial results and financial position of the above subsidiary, prepared in accordance with SFRS(I)s. The financial information disclosed below represents the amounts before any inter-company transactions elimination with other companies in the Group.

	CAH and its subsidiaries \$'000
2020	
Revenue	6,736
Profit and total comprehensive income for the period	2,915
Profit and total comprehensive income attributable to non-controlling interests	1,428
Non-current assets	640
Current assets	5,176
Non-current liabilities	(172)
Current liabilities	(4,194)
Net assets	1,450
Net assets attributable to NCI	711
Cash flows from operating activities	3,158
Cash flows used in investing activities	(4)
Cash flows used in financing activities	(248)
Net increase in cash and cash equivalents	2,906

14 Lease liabilities

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Non-current	1,185	824	–	54
Current	742	736	54	56
	1,927	1,560	54	110

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follow:

				----- 2021 -----		----- 2020 -----	
	Currency	Nominal interest rate	Year of maturity	Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Lease liabilities	SGD	1.1%-5%	2021-2027	2,085	1,927	1,650	1,560
Company							
Lease liabilities	SGD	5%	2022	55	54	115	110

Leases as lessee

The Group leases offices, clinics and equipment. The leases typically run for a period of 1 to 6 years, with an option to renew the lease after that date. The Group is entitled to rental reliefs under the Rental Relief Framework. The Group applied practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its clinics and offices leases. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied practical expedient for COVID-19-related concessions is \$68,000 (2020: \$230,000).

In addition to right-of-use assets disclosed under Note 5, information about leases for which the Group is a lessee is presented below.

Amounts recognised in profit or loss

	2021	2020
	\$'000	\$'000
Interest on lease liabilities	71	74

Amounts recognised in statement of cash flows

	2021	2020
	\$'000	\$'000
Total cash outflow for leases (Note 15)	1,001	819

Extension options

Some property leases contain extension options exercisable by the Group up to one month to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$1,236,000 (2020: \$1,636,000).

15 Loans and borrowings

	Group and Company	
	2021	2020
	\$'000	\$'000
Non-current liabilities		
– Unsecured bank loan	3,685	4,900
Current liability		
– Unsecured bank loan	1,215	100
	4,900	5,000

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	----- 2021 -----		----- 2020 -----	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group and Company							
Unsecured bank loan	SGD	2%	2025	5,099	4,900	5,298	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.

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate and liquidity risks are disclosed in Note 26.

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

	Lease liabilities (Note 14) \$'000	Unsecured bank loan \$'000	Convertible bonds \$'000	Total \$'000
Group				
Balance as at 1 October 2019	—	—	4,577	4,577
Recognition of lease liabilities on initial application of SFRS(I) 16	1,494	—	—	1,494
Adjusted balance at 1 October 2019	1,494	—	4,577	6,071

Changes from financing cash flows				
Proceeds from issuance of convertible bonds	—	—	3,000	3,000
Redemption of convertible bonds	—	—	(4,000)	(4,000)
Proceeds from bank loan	—	5,000	—	5,000
Payment of lease liabilities	(745)	—	—	(745)
Interest paid	(74)	(9)	—	(83)
Total changes from financing cash flows	(819)	4,991	(1,000)	3,172

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Group	Lease liabilities (Note 14) \$'000	Unsecured bank loan \$'000	Convertible bonds \$'000	Total \$'000
Other changes				
Liability-related				
Amortisation of transaction costs related to loans and borrowings	–	–	13	13
Interest expense	74	9	212	295
Derecognition of lease liabilities	(127)	–	–	(127)
New leases pursuant to the acquisition of a subsidiary	754	–	–	754
New leases	184	–	–	184
Total liability-related other changes	885	9	225	1,119
Total equity-related changes	–	–	(3,802)	(3,802)
Balance as at 30 September 2020	1,560	5,000	–	6,560

Group	Lease liabilities (Note 14) \$'000	Unsecured bank loan \$'000	Total \$'000
Balance as at 1 October 2020	1,560	5,000	6,560

Changes from financing cash flows			
Repayment of bank loan	–	(100)	(100)
Payment of lease liabilities	(930)	–	(930)
Interest paid	(71)	(100)	(171)
Total changes from financing cash flows	(1,001)	(200)	(1,201)

Other changes			
Liability-related			
Interest expense	71	100	171
Derecognition of lease liabilities	(449)	–	(449)
New leases	1,746	–	1,746
Total liability-related other changes	1,368	100	1,468
Balance as at 30 September 2021	1,927	4,900	6,827

16 Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	----- Assets -----		----- Liabilities -----		----- Net -----	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Plant and equipment	—	—	(30)	(35)	(30)	(35)
Right-of-use assets and lease liabilities	2	—	—	—	2	—
Trade and other payables	9	6	—	—	9	6
Tax assets/(liabilities)	11	6	(30)	(35)	(19)	(29)

Movements in temporary differences during the year

	At 30/9/2019 \$'000	Acquired in business combination \$'000 (Note 25)	Recognised in profit or loss \$'000 (Note 21)	At 30/9/ 2020 \$'000	Recognised in profit or loss \$'000 (Note 21)	At 30/9/ 2021 \$'000
Plant and equipment	(11)	(34)	10	(35)	5	(30)
Right-of-use assets and lease liabilities	—	—	—	—	2	2
Trade and other payables	—	1	5	6	3	9
	(11)	(33)	15	(29)	10	(19)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group and the Company can use the benefits therefrom.

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Deductible temporary differences	46	14	15	–
Tax credits	2,418	1,157	2,418	1,157
Tax losses	504	28	27	–
	2,968	1,199	2,460	1,157

* Less than 1,000

17 Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables	820	949	109	177
Other payables	333	1,020	–	–
Amounts due to related parties (trade)	–	21	–	–
Amounts due to subsidiaries (non-trade)	–	–	66	–
Accrued expenses	1,725	816	210	200
Deferred income – government grants	–	158	–	22
	2,878	2,964	385	399

The Group and the Company's exposure to liquidity risk related to trade and other payables are disclosed in Note 26.

The Group has received government grants during the year – Job Support Schemes (“JSS”) that meant to provide wage support to employees to help them retain their local employees and rental reliefs to recover from the impact of COVID 19 pandemic. These grants were recognised in profit or loss and presented in ‘other income’ when it became receivable (see Note 19). JSS and rental reliefs recognised in profit and loss during the year amounted to \$286,000 (2020: \$513,000) and \$68,000 (2020: \$230,000) respectively.

18 Revenue

	Group	
	2021	2020
	\$'000	\$'000
Medical consultancy and services	27,563	16,934

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

Medical consultancy and services

Nature of goods or services	The Group provides multi-disciplinary medical services, comprising of anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, urology and rehabilitative services.
When revenue is recognised	Revenue is recognised when the service has been rendered.
Significant payment terms	Invoices are issued upon completion of services and upon discharge of patients from the hospital. Payment is due upon completion of service.

Contract balances

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

		Group	
	Note	2021	2020
		\$'000	\$'000
Trade receivables	9	2,819	2,393
Contract assets		221	172
Contract liabilities		(62)	(43)

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

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

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

	Contract assets		Contract liabilities	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Increases in contract liabilities due to cash received, excluding amounts recognised as revenue during the year	—	—	(62)	(43)
Revenue recognised that was included in the contract liabilities at the beginning of the year	—	—	43	102
Contract asset reclassified to trade receivables	172	244	—	—

19 Other income

	Group	
	2021	2020
	\$'000	\$'000
Government grants and other reliefs	584	950
Bad debts recovered	8	—
Others	56	101
	648	1,051

20 Finance costs

	Group	
	2021	2020
	\$'000	\$'000
Interest on lease liabilities	71	74
Interest on unsecured bank loan	100	9
Interest on convertible bonds	—	212
	171	295

21 Tax expense

	Group	
	2021	2020
	\$'000	\$'000
Current tax expense		
Current year	1,279	647
Changes in estimates related to prior years	(49)	(80)
	<u>1,230</u>	<u>567</u>
Deferred tax credit		
Origination and reversal of temporary differences	(9)	(14)
Change in unrecognised deductible temporary differences	(1)	(1)
	<u>(10)</u>	<u>(15)</u>
Total tax expense	<u><u>1,220</u></u>	<u><u>552</u></u>

Reconciliation of effective tax rate

Profit before tax	<u>7,999</u>	<u>4,565</u>
Tax using the Singapore tax rate of 17% (2020: 17%)	1,360	776
Non-deductible expenses	112	111
Tax-exempt income	(289)	(260)
Tax incentives	(214)	–
Deferred tax assets not recognised	301	5
Changes in estimates related to prior years	(49)	(80)
Change in unrecognised deductible temporary differences	(1)	(1)
Others	–	1
	<u><u>1,220</u></u>	<u><u>552</u></u>

22 Profit for the year

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

	Note	Group 2021 \$'000	2020 \$'000
Audit fees paid to:			
– auditors of the Company		209	189
Non-audit fees paid to:			
– other auditors		–	70
Government grants and other reliefs		(584)	(950)
Interest income		–	(79)
Contribution to defined contribution plan included in staff costs		623	410
Equity-settled shared-based payment transactions		–	175
Depreciation of plant and equipment	4	187	115
Depreciation of right-of-use assets	5	965	768
Expenses for corporate exercise		203	365
Impairment loss:			
– Trade receivables	26	23	42

23 Earnings per share

The calculation of basic and diluted earnings per share at 30 September 2021 and 2020 was based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group 2021 \$'000	2020 \$'000
Profit for the year	4,476	2,585

Weighted-average number of ordinary shares

	Group	
	2021	2020
	'000	'000
Issued ordinary shares at 1 October	455,933	325,893
Effect of shares issued on 19 February 2020	–	64,482
Effect of shares issued on 3 September 2020	–	1,847
Effect of shares issued on 26 April 2021	7,614	–
Effect of shares issued on 30 July 2021	12,395	–
Weighted-average number of ordinary shares during the year	475,942	392,222

There were no potential dilutive ordinary shares for the years ended 30 September 2021 and 2020. As such, the profit attributable to ordinary shareholders and the number of ordinary shares used in the calculation of diluted earnings per share are the same as those used in the calculation of basic earnings per share.

24 Operating segments

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 segments regularly. The following summary describes the operations in each of the Group's reportable segments:

- Providing medical consultancy and services in the field of orthopaedic medicine ("Orthopaedic")
- Providing anaesthesia services ("Anaesthesia")
- Providing otorhinolaryngology services ("Ent")
- Providing dermatology, family medicine, gastroenterology, ophthalmology, and urology services ("Other medical services")

Major customers

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

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Information about reportable segments

Group	Orthopaedic		Anaesthesia		Ent		Other medical services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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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Reconciliation of reportable segment revenues, profit or loss, assets and liabilities:

	2021	2020
	\$'000	\$'000
Revenues		
Total revenue for reportable segments	27,563	16,934
Profit before tax		
Total profit before tax for reportable segments	9,828	5,930
Unallocated amounts:		
– Corporate expenses	(1,470)	(1,387)
– Share of (loss)/profit of associate	(359)	22
Consolidated profit before tax	7,999	4,565
Assets		
Total assets for reportable segments	15,261	11,635
Investment in associate	7,731	8,048
Unallocated assets	44,564	53,623
Elimination of inter-segment assets	(5,836)	(14,516)
Deferred tax assets	11	6
Consolidated total assets	61,731	58,796
Liabilities		
Total liabilities for reportable segments	10,325	7,664
Unallocated liabilities	5,339	13,545
Elimination of inter-segment liabilities	(5,897)	(11,642)
Current tax liabilities	1,279	1,300
Deferred tax liabilities	30	35
Consolidated total liabilities	11,076	10,902

25 Acquisitions of subsidiary and non-controlling interests**Acquisition of subsidiary in 2020**

On 19 February 2020, the Group acquired 51% of issued and paid up shares in the share capital of CAH.

Taking control of CAH will provide the Group the opportunity to acquire several established healthcare assets in variety of medical specialisations and diversify the Group's current portfolio and strengthen the Group's existing business.

From the date of acquisition to 30 September 2020, CAH contributed revenue of \$6,736,000 and profit before tax of \$3,342,000 to the Group's results. Had the acquisition occurred on 1 October 2019, management estimates that consolidated revenue would have been \$11,333,000 and consolidated profit before tax for the year ended 30 September 2020 would have been \$5,352,000.

Consideration transferred

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

	Note	\$'000
Cash		5,000
Equity instruments issued (104,171,380 ordinary shares)	11	20,209
Total consideration transferred		<u>25,209</u>

Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 19 February 2020 of \$0.194 per share.

Acquisition-related costs

In year 2020, the Group incurred acquisition-related costs of \$308,000 on professional fees, stamp duty and processing fees. These costs have been included in 'Other operating expenses'.

Identifiable assets acquired and liabilities assumed

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

	Note	\$'000
Plant and equipment	4	255
Right-of-use assets	5	757
Deferred tax assets	16	1
Cash and cash equivalents		908
Contract assets		28
Trade and other receivables		1,241
Inventories		189
Lease liabilities		(754)
Deferred tax liabilities	16	(34)
Current tax liabilities		(952)
Contract liabilities		(16)
Trade and other payables		(1,126)
Total identifiable net assets		497

Measurement of fair values

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

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

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	\$'000
Total consideration transferred		25,209
NCI, based on proportionate interest in the recognised amounts of the assets and liabilities of the acquiree		244
Fair value of identifiable net assets		(497)
Goodwill	6	<u>24,956</u>

Goodwill comprises of expected synergies from integrating the operations of the Group and the acquiree. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition of non-controlling interests in 2021

On 30 July 2021, the Group acquired an additional 49% interest in CAH, increasing its ownership from 51% to 100%. The carrying amount of CAH's net assets in the Group's consolidated financial statements on the date of the acquisition was \$2,281,000.

	Note	\$'000
Carrying amount of NCI acquired (\$2,281,000 x 49%)		1,118
Consideration paid to NCI:		
– equity instruments issued (72,972,973 ordinary shares)	11	(12,478)
– cash consideration		(2,500)
		<u>(14,978)</u>
Decrease in equity attributable to owners of the Company	12	<u>(13,860)</u>

The decrease in equity attributable to owners of the Company is recorded in other reserves.

26 Financial instruments

Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit & Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

Credit risk

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

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

Trade receivables and contract assets

Risk management policy

Management monitors exposure to credit risk on an ongoing basis. To minimise the risk of bad debts, customers are generally requested to place an initial deposit or obtain a letter of guarantee at the time of admission to the hospitals. Additional deposit is requested from the customer when the hospital charges exceed a certain level.

Exposure to credit risk, credit quality and collateral

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

Expected credit loss assessment for trade receivables and contract assets

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

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

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at end of the reporting period:

	Weighted average loss rate %	Gross \$'000	Impairment losses \$'000
2021			
Not past due	—	221	—
Past due 1 – 60 days	2.0	1,951	39
Past due 61 – 120 days	8.9	654	58
Past due 121 – 365 days	13.7	322	44
Past due more than 365 days	28.3	46	13
		3,194	154

Asian Healthcare Specialists Limited and its subsidiaries

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	Weighted average loss rate	Gross	Impairment
	%	\$'000	losses \$'000
2020			
Not past due	—	172	—
Past due 1 – 60 days	1.4	1,774	24
Past due 61 – 120 days	5.0	417	21
Past due 121 – 365 days	20.5	176	36
Past due more than 365 days	58.2	256	149
		2,795	230

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

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

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

	Group	
	2021	2020
	\$'000	\$'000
At 1 October	(230)	(217)
Additions pursuant to acquisition of subsidiary	—	(39)
Impairment loss recognised	(23)	(42)
Write-off	99	68
At 30 September	(154)	(230)

Other receivables

Group

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

Amounts due from subsidiaries

Company

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

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of \$12,524,000 and \$3,523,000 respectively at 30 September 2021 (2020: \$9,928,000 and \$3,577,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A to AA-, based on S&P Global Ratings.

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

Liquidity risk

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

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

Exposure to liquidity risk

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

	Note	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000
Group					
30 September 2021					
Non-derivative financial liabilities					
Trade and other payables	17	2,878	(2,878)	(2,878)	–
Unsecured bank loan	15	4,900	(5,099)	(1,302)	(3,797)
Lease liabilities	14	1,927	(2,085)	(806)	(1,279)
		9,705	(10,062)	(4,986)	(5,076)
30 September 2020					
Non-derivative financial liabilities					
Trade and other payables	17	2,964	(2,964)	(2,964)	–
Unsecured bank loan	15	5,000	(5,298)	(200)	(5,098)
Lease liabilities	14	1,560	(1,650)	(785)	(865)
		9,524	(9,912)	(3,949)	(5,963)
Company					
30 September 2021					
Non-derivative financial liabilities					
Trade and other payables	17	385	(385)	(385)	–
Unsecured bank loan	15	4,900	(5,099)	(1,302)	(3,797)
Lease liabilities	14	54	(55)	(55)	–
		5,339	(5,539)	(1,742)	(3,797)
30 September 2020					
Non-derivative financial liabilities					
Trade and other payables	17	399	(399)	(399)	–
Unsecured bank loan	15	5,000	(5,298)	(200)	(5,098)
Lease liabilities	14	110	(115)	(60)	(55)
		5,509	(5,812)	(659)	(5,153)

Market risk

The Group's exposure to market risk (i.e. market prices, such as foreign exchange rates and equity prices, and interest rates) is minimal. The Group does not have any of its borrowings in variable rate instruments. Accordingly, the exposure to interest rate risk is minimum and no sensitivity analysis is performed.

Accounting classifications and fair values

Categories of financial instruments

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

	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Group			
30 September 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

	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 secured bank loan approximates its fair value as the effective interest rate is comparable to the movements in the market interest rate. Furthermore, the fair value disclosure of lease liabilities is also not required.

27 Capital management

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

28 Related parties

Identity of related parties

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

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

Key management personnel and director transactions

Key management personnel compensation comprised:

	Group	
	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
	<u>5,777</u>	<u>4,182</u>

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

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

	Transaction value for		Balance outstanding as	
	the year ended		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

	Transaction value for the year ended 30 September		Balance outstanding as at 30 September	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Group				
Short-term employee benefits paid to affiliated parties	132	68	—	—
Post-employment benefits (including CPF) paid to affiliated parties	22	11	—	—
Company				
Management fees charged to subsidiaries	2,773	1,807	1,074	487

29 Subsequent event

On 13 December 2021, the Group announced a proposed issuance of 30,864,197 ordinary shares for \$5,000,000 pursuant to a private placement. The Group is now awaiting approval from regulatory authorities before proceeding with the issuance.