



ANNUAL
REPORT **2020**



**DIVERSIFIED
HEALTHCARE
SPECIALIST
AND PROVIDER**



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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report. The contact person for the Sponsor is Mr Mah How Soon – Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

CORPORATE PROFILE

Listed on the Catalist Board of Singapore Stock Exchange on 20 April 2018, Asian Healthcare Specialists Limited and its subsidiaries (collectively, the “**Group**”) is a multidisciplinary medical services group that provides an extended range of medical services such as anaesthesia, dermatology, family medicine, gastroenterology, ophthalmology, orthopaedics, otorhinolaryngology, rehabilitation and urology. The Group currently have 14 medical specialists in different divisions, 2 family physicians and 1 physiotherapist; conveniently located at 14 clinics in Singapore.

The Group aims to provide a more comprehensive suite of in-house services to patients who have more complex medical issues requiring input from various specialties. Leveraging on the Singapore healthcare branding, the Group has an investment arm, Salvia Ventures Pte. Ltd. which aims to set up satellite centres of healthcare excellence in the South-East Asia region.



MESSAGE TO SHAREHOLDERS

FY2020 was an extremely challenging year as the world battled against the COVID-19 pandemic. With the emergence of new policies and initiatives, the Group is prepared for change and will continue to diversify and invest in synergistic businesses both locally and internationally in relation to healthcare.



DR CHIN PAK LIN
Chief Executive Officer

MR LEOW CHUNG CHONG YAM SOON
Non-Executive Chairman

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Asian Healthcare Specialists Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”), we are pleased to present to you the Annual Report for the financial year ended 30 September 2020 (“**FY2020**”).

DIVIDEND

FY2020 was an extremely challenging year as the world battled against the COVID-19 pandemic. It has placed humanity at the epicentre of the epidemic and resulted in adoption of technological means. With the emergence of new policies and initiatives, the Group is prepared for change and will continue to diversify and invest in synergistic businesses both locally and internationally in relation to healthcare. We are humbled by every healthcare worker for their immense sacrifices, invaluable dedication and commitment to make sure that our patients, COVID-19 or otherwise, are well taken care of. In view of rewarding shareholders for their support, the Board of Directors is pleased to propose a final one-tier exempt dividend of 0.15 Singapore cent per share in respect of FY2020 (“**Final Dividend**”).

EXPANSIONS IN SINGAPORE

Through the completion of the 51% acquisition of Cornerstone Asia Health Pte. Ltd. (“**CAH**”) in February 2020, the Group now provides a wider spectrum of general and specialised healthcare services. The Group comprise of anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, otorhinolaryngology (“**ENT**”), urology and rehabilitative services. In addition, we also welcome three new Doctors, Dr Lim Tian Jin (Anaesthesia), Dr Dennis Ng (Orthopaedics)

and Dr Soon Sue Rene (ENT) in April, May and November respectively. These new additions resulted in the Group currently having 14 medical specialists, 2 family physicians and 1 physiotherapist with an average of over 15 years of experience in their fields, operating at 14 clinics situated in accessible locations across Singapore.

CREATING A REGIONAL FOOTPRINT

In August 2020, Fansipan 2 Holdings Pte. Ltd. (“**Fansipan 2**”), an associated company of the Group, completed an acquisition of an interest in approximately 99.9% of a medical group comprising of two private hospitals located in Central Vietnam (“**Pacific Medical Hospitals**”). The first hospital was opened in 2001 and consists of a 3-storey building. The medical staff comprises in excess of 40 doctors and 130 nurses. The services provided include cardiology, resuscitation, dentistry, laboratory tests, dermatology, paediatrics, traditional medicine, obstetrics, imaging and diagnostics. The second hospital was opened in 2015 and consists of a 10-storey building. The medical staff comprises in excess of 60 doctors and 130 nurses. The services provided include obstetrics, dermatology, dentistry, traditional medicine, general surgery, ophthalmology, laboratory tests, imaging and diagnostics. Pacific Medical Hospitals have a total capacity of more than 300 beds.

Greater demand for healthcare services coupled with strained public healthcare resources provide opportunities for growth in demand for healthcare services in Vietnam. The country’s rapid economic development has resulted in growing demand for higher quality and more specialised healthcare services, especially amongst the growing middle class. Given these factors, the Group believes that there are significant expansion opportunities for private

healthcare players in Vietnam. Traditionally, Vietnam has had an under-served healthcare sector, with fewer per capita medical staff, nurses, doctors and hospital beds compared to patient demand. The Group hopes to collaborate with Pacific Medical Hospitals' management team to advance the standard of care towards international standards through training and sharing of best practices. Indeed, the Group believes that together with Heliconia Capital Management Pte. Ltd. ("**Heliconia**"), we can help to expand quality healthcare services by setting up centres of excellence for medical specialties at Pacific Medical Hospitals.

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

CHANGES TO THE BOARD

On 19 February 2020 and 3 September 2020, the Company welcomed Dr Cheng Ching Li (Executive Director) and Mr Yeo Wee Kiong (Non-Executive and Non-Independent Director) to the Board respectively. The Group looks forward to tap on both the directors' experience for future growth.

APPRECIATION

We would like to extend our sincere appreciation to our shareholders, business partners, all our stakeholders and our employees for their dedication and unwavering support over the past years and look towards the years ahead as we continue to scale new heights ahead.

Dr Chin Pak Lin
Chief Executive Officer

Mr Leow Chung Chong Yam Soon
Non-Executive Chairman



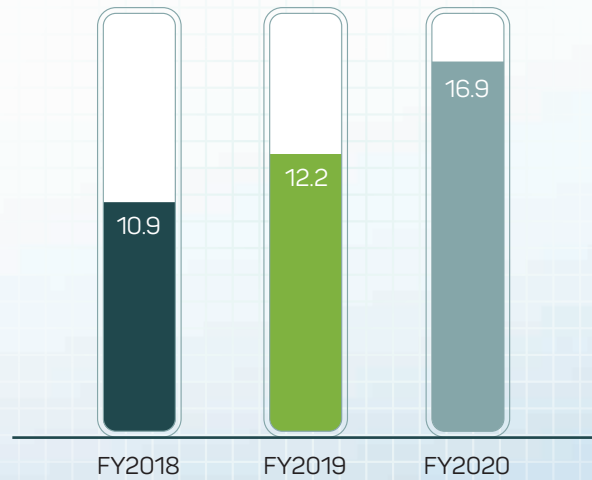
FINANCIAL HIGHLIGHTS

TOTAL REVENUE

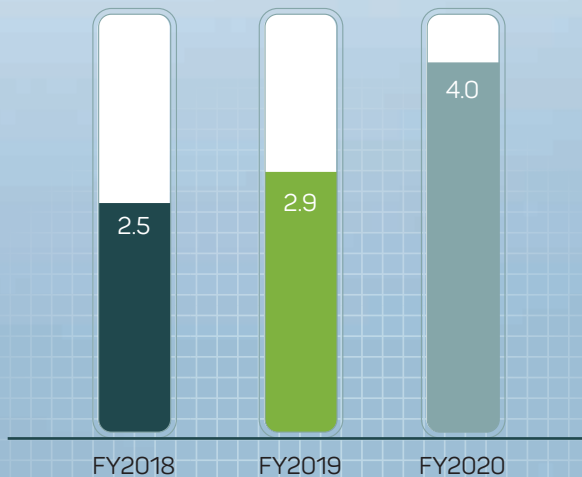
\$16.9M

For FY2020, revenue increased by \$4.7 million or 38.7%, from \$12.2 million to \$16.9 million. The increase was mainly due to the Group expanding into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition and new medical specialists joining the Group in FY2020.

TOTAL REVENUE (IN \$ MILLION)



CONSOLIDATED NET PROFIT (IN \$ MILLION)



CONSOLIDATED NET PROFIT

\$4.0M

In tandem with the revenue growth, the net profit increased by \$1.1 million or 40.0%, from \$2.9 million to \$4.0 million. This result was before the allocation of non-controlling interests share of profit of \$1.4 million.

FINANCIAL REVIEW

REVIEW OF THE GROUP'S PERFORMANCE

REVENUE

For FY2020, revenue increased by \$4.7 million or 38.7%, from \$12.2 million to \$16.9 million. The increase was mainly due to the Group expanding into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition and new medical specialists joining the Group in FY2020.

OTHER INCOME

The Group's other income for FY2020 increased by \$0.8 million from \$0.3 million to \$1.1 million. Other income for FY2020 mainly comprised of \$1.0 million of government grants and other reliefs and \$0.1 million of interest income earned.

SUPPLIES AND CONSUMABLES USED

Supplies and consumables used comprise mainly expenses incurred to purchase implants, braces and drugs required for the provision of medical services. For FY2020, expense arising from supplies and consumables increased by \$0.5 million or 31.8%, from \$1.7 million to \$2.2 million. The increase was in tandem with the increase in revenue.

PURCHASED AND CONTRACTED SERVICES

For FY2020, purchased and contracted services increased by \$0.2 million, from \$0.1 million to \$0.3 million. The increase was mainly due to CAH's medical practices which required relatively more laboratory tests being conducted. For FY2020, purchased and contracted services arising from CAH's medical practices were \$0.2 million.

STAFF COSTS

For FY2020, staff costs increased by \$2.6 million or 54.2%, from \$4.9 million to \$7.5 million. The increase was mainly due to the increase in number of staff hired as the Group acquired CAH and expansion of the medical team which was also generally in tandem with the increase in revenue; and non-recurring share awards granted to certain employees of the Group, amounting to \$0.2 million.

DEPRECIATION

For FY2020, depreciation increased by \$0.8 million, from \$35,000 to \$0.9 million, mainly due to depreciation recognised for right-of-use assets arising from adoption of SFRS(I) 16 effective from 1 October 2019, amounting to \$0.8 million.

OTHER OPERATING EXPENSES

For FY2020, other operating expenses decreased by \$0.1 million or 2.1%, from \$2.3 million to \$2.2 million. The decrease was mainly attributable to the decrease in rental expenses of \$0.5 million arising from the adoption of SFRS(I) 16 effective from 1 October 2019; offset by the increase in operating expenses arising from the CAH's medical practices, amounting to \$0.4 million, representing approximately 5.8% of revenue generated by CAH.

FINANCE COST

For FY2020, finance cost increased by \$132,000 or 81.0%, from \$163,000 to \$295,000. The increase in finance cost comprised of the interest expenses incurred on the lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 October 2019; increased in deemed interest expense on the convertible bonds; and interest expense on bank loan.

SHARE OF RESULTS OF ASSOCIATE

The Group recorded \$22,000 share of profit of associate, which was pertaining to profits earned by an associated company, Fansipan 2. On 21 August 2020, the Group holds approximately 23.8% of the total number of shares in Fansipan 2, and Fansipan 2 had acquired an interest of approximately 99.9% of a medical group comprising two private hospitals located in Central Vietnam on 27 August 2020.

PROFIT BEFORE TAX

For FY2020, the Group recorded an increase of profit before tax, which includes non-controlling interests share of profit in CAH, of \$1.2 million or 35.6%, from \$3.4 million to \$4.6 million. The increase was in tandem with the increase in revenue.

TAX EXPENSES

For FY2020, income tax expense increased by \$0.1 million or 10.4%, from \$0.5 million to \$0.6 million. The increase was in tandem with the increase in profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

NON-CURRENT ASSETS

Non-current assets increased by \$35.1 million, from \$10.2 million to \$45.3 million, mainly due to goodwill arising from the acquisition of CAH and recognition of right-of-use assets pertaining to leases of clinic premises and corporate office, arising from the adoption of SFRS(I) 16 effective from 1 October 2019.

FINANCIAL REVIEW

NON-CURRENT ASSETS

Non-current assets amounted to \$45.3 million or 77.1% of the Group's total assets. Non-current assets mainly consist of goodwill of \$35.1 million or 77.5% of the Group's non-current assets, arising from the acquisition of subsidiaries; right-of-use assets of \$1.5 million or 3.4% of the Group's non-current assets; plant and equipment of \$0.6 million or 1.3% of the Group's non-current assets, comprising medical equipment, furniture, fittings, and office equipment, renovations and computers; and investment in associate of \$8.1 million or 17.8% of the Group's non-current assets.

CURRENT ASSETS

Current assets decreased by \$5.9 million or 30.6%, from \$19.4 million to \$13.5 million, mainly due to decrease in cash and cash equivalents by \$7.1 million or 41.7%, mainly due to payment for acquisition of CAH and investment in Fansipan 2; offset by increase in trade and other receivables by \$1.1 million or 48.9% which was in tandem with the increase in revenue.

Current assets amounted to \$13.5 million or 22.9% of the Group's total assets. Current assets mainly consist of cash and cash equivalents of \$9.9 million or 73.6% of the Group's current assets; and trade and other receivables (comprising of trade receivables, deposits, prepayments and other receivables) of \$3.2 million or 23.8% of the Group's current assets.

NON-CURRENT LIABILITIES

Non-current liabilities increased by \$1.2 million or 25.5%, from \$4.6 million to \$5.8 million, mainly attributable to recognition of lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 October 2019 and a net increase in loans and borrowings due to drawdown of bank facility, but offset by the redemption of convertible bond.

Non-current liabilities amounted to \$5.8 million or 52.8% of the Group's total liabilities, consisting mainly non-current portion of the bank loan, amounting to \$4.9 million or 85.1% of the Group's non-current liabilities; and lease liabilities of \$0.8 million or 14.3% of the Group's non-current liabilities.

CURRENT LIABILITIES

Current liabilities increased by \$3.4 million, from \$1.7 million to \$5.1 million, mainly due to recognition of lease liabilities arising from adoption of SFRS(I) 16 effective from 1 October 2019, amounting to \$0.7 million as of 30 September 2020; increase of current tax payables by \$0.8 million which was primarily arising from consolidating CAH's current tax payables of \$1.0 million; and trade and other payables

by \$1.9 million, primarily arising from consolidating CAH's trade and other payables of \$1.8 million, out of which \$1.0 million was pertaining to CAH's dividend payables to non-controlling interests.

Current liabilities amounted to \$5.1 million or 47.2% of the Group's total liabilities. Current liabilities mainly consist of lease liabilities of \$0.7 million or 14.3% of the Group's total current liabilities; current tax payable of \$1.3 million or 25.3% of the Group's total current liabilities; and trade and other payables of \$3.0 million or 57.6% of the Group's total current liabilities.

EQUITY

As at 30 September 2020, equity attributable to owners of the Company of \$47.2 million, comprised of issued and fully paid share capital of \$46.4 million and retained earnings of \$2.8 million, net of reserves of \$2.0 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

OPERATING ACTIVITIES

In FY2020, net cash generated from operating activities amounted to \$5.2 million. This comprised operating cash flows before changes in working capital of \$5.8 million and interest received of \$0.1 million and net working capital inflows of \$0.1 million; offset by income tax paid of \$0.8 million. The net working capital inflows were due to the decrease in trade and other receivables; contract assets and inventory of an aggregated amount of \$0.3 million; offset by the decrease in trade and other payables and contract liabilities of an aggregated amount of \$0.2 million.

INVESTING ACTIVITIES

In FY2020, net cash used in investing activities amounting to \$12.5 million, was attributed to the purchase of plant and equipment of \$0.4 million, mainly pertaining to renovation and purchase of medical equipment for the new ENT clinic; investment in Fansipan 2 of \$8.0 million; \$5.0 million of cash consideration paid for the acquisition of CAH; and offset by \$0.9 million of cash and cash equivalents acquired from CAH.

FINANCING ACTIVITIES

In FY2020, net cash generated from financing activities amounted to \$0.2 million, was mainly due to proceeds from bank loan of \$5.0 million; proceeds from issuance of convertible bond of \$3.0 million; offset by dividend paid of \$2.9 million; an aggregated payment of \$0.9 million for the interest paid and principal element of lease payments; redemption of convertible bond of \$4.0 million.

BOARD OF DIRECTORS



DR CHIN PAK LIN

Executive Director/Chief Executive Officer

Medical Specialist: Orthopaedic Surgery

Special Interest: Hip and Knee

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

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

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

As an active volunteer in medical missions, Dr Chin has participated in the Pakistan Earthquake Medical Mission Trip under SingHealth and Cambodia Medical Mission Specialist Programme in Calmette Hospital in Phnom Penh under Singapore International Foundation.

BOARD OF DIRECTORS



DR YUE WAI MUN

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

Dr Yue Wai Mun is an Executive Director and the Chief Medical Officer ("CMO") of the Group and was first appointed to the Board on 27 September 2017, and was last re-elected on 23 January 2020. Dr Yue joined the Group as a medical specialist with a special interest in spine and scoliosis surgery in 2015 and is presently an Adjunct Associate Professor at the Duke-NUS Graduate Medical School and Clinical Senior Lecturer at NUS.

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

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



DR CHENG CHING LI, BOBBY

Executive Director
Medical Specialist: Ophthalmology
Special Interest: Vitreoretinal Medicine

Dr Cheng Ching Li, Bobby is an Executive Director of the Group and was first appointed to the Board on 19 February 2020. Dr Cheng joined the Group as a medical specialist and head of the Group's Ophthalmology division. He is a senior ophthalmic surgeon in Cataract and Comprehensive Ophthalmology, with special interest in the fields of vitreoretinal medicine and surgery as well as uveitis.

Prior to joining, Dr Cheng was one of the founding members of Cornerstone Asia Health Pte. Ltd. ("CAH"), since 2017. Prior to CAH, Dr Cheng started private medical specialist practice in 2008 specialising in Ophthalmology. He graduated from the National University of Singapore with a Bachelor of Medicine, Bachelor of Surgery in 1993 before going on to specialise in the field of Ophthalmology. He was also admitted as a Fellow of the Royal College of Surgeons of Edinburgh in 2000 and a fellow of the Academy of Medicine (Singapore) in 2008.


MR LEOW CHUNG CHONG YAM SOON
Non-Executive Chairman/Independent Director

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

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


MR SIEK WEI TING, RYAN
Independent Director

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

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

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

BOARD OF DIRECTORS



MR VIKRAM NAIR

Independent Director

Mr Vikram Nair is an Independent Director of the Company and was first appointed to the Board on 28 March 2018, and was last re-elected on 23 January 2020. He is presently a partner at Rajah & Tann Singapore LLP and heads its India desk and is also a Member of Parliament for the Sembawang Group Representation Constituency.

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

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

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



MR YEO WEE KIONG

Non-Executive and Non-Independent Director

Mr Yeo Wee Kiong is a Non-Executive and Non-Independent Director of the Company and was first appointed to the Board on 3 September 2020. He has had more than 22 years of practice experience as a corporate finance lawyer and has retired since 2012. Prior to that, he was an investment banker with a Singapore-based UK merchant bank and a senior industry officer with a government statutory board.

He is currently a member of the board of Heliconia Capital Management Pte Ltd, a subsidiary of Temasek Holdings.

Mr Yeo holds a Bachelor of Engineering (First Class Honours) degree from the University of Singapore, a Bachelor of Laws (Honours) degree from the University of London, and a Master of Business Administration degree from the National University of Singapore.

EXECUTIVE OFFICERS



MR TRAVIS SEET KAH WAI

Chief Financial Officer (CFO)

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

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

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



MS KWEK JIN MEI VIOLET

Chief Operating Officer (COO)

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

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

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

MEDICAL SPECIALISTS

1. **DR LIM TIAN JIN**
MBBS (SINGAPORE), MMED (ANAESTHESIA),
FANZCA (AUSTRALIA & NEW ZEALAND)
SURGICAL INTENSIVE CARE,
NEUROANAESTHESIA
2. **DR LIM TET CHEN ROY**
MBBS, MMED (ANAESTHESIA) SINGAPORE
ADULT AND PAEDIATRIC CARDIOTHORACIC
ANAESTHESIA
3. **DR CHIN PAK LIN**
MBBS (SINGAPORE), MRCS (EDINBURGH), MMED
(ORTHO), FRCS (EDINBURGH)
ORTHOPAEDIC (HIP AND KNEE
RECONSTRUCTION)
4. **DR DAVID SU HSIEN CHING**
MBBS (SINGAPORE), MRCS (EDINBURGH), MMED
(ORTHO), FRCS (EDINBURGH)
ORTHOPAEDIC (FOOT AND ANKLE)



5. **DR DENNIS NG ZHAOWEN**
MBBS (SINGAPORE), MRCS (EDINBURGH), MMED
(ORTHO), FRCS (EDINBURGH)
ORTHOPAEDIC (SHOULDER, KNEE AND ELBOW)
6. **DR MOHD MASHFIQUL ARAFIN
SIDDIQUI**
MBBS (SINGAPORE), MRCS (EDINBURGH),
MMED (ORTHO), FRCS (EDINBURGH), FAMS
(ORTHOPAEDIC SURGERY)
ORTHOPAEDIC (SPINE SURGERY)
7. **DR TAN CHYN HONG**
MBBS (SINGAPORE), MRCS (EDINBURGH), MMED
(ORTHO), FRCS (EDINBURGH)
ORTHOPAEDIC (SHOULDER, KNEE & ELBOW)
8. **DR TAN SOK CHUEN**
MBBS (SINGAPORE), MRCS (EDINBURGH),
MMED (ORTHO), FRCS (EDINBURGH)
ORTHOPAEDIC (HIP AND KNEE
RECONSTRUCTION)
9. **DR YUE WAI MUN**
MBBS (SINGAPORE), MRCS (EDINBURGH), FAMS
(ORTHOPAEDIC SURGERY)
ORTHOPAEDIC (SPINE SURGERY)

10. MISS CINDY CHAN YIEN SAN

DIPLOMA IN PHYSIOTHERAPY, MASTER
IN MUSCULOSKELETAL AND SPORTS
PHYSIOTHERAPY

11. DR ASHLEY MICHAEL YUEN SHANG REN

MBBS (LONDON)
GENERAL PRACTITIONER (AESTHETICS)

12. DR GEOFFRY SEAH SHENG HEANG

MBBS (SINGAPORE), GRAD DIP (OCCUPATIONAL
MEDICINE), MMED (FAMILY MEDICINE), DFD
(SINGAPORE)
GENERAL PRACTITIONER (OCCUPATIONAL
MEDICINE)

13. DR LAWRENCE KHOO SHIH WEE

MBBS (SINGAPORE), MRCS (UK), FAMS
(DERMATOLOGY)
DERMATOLOGY (MEDICAL AND AESTHETICS)



10



11



12



13



14



15



17



16

14. DR HO SIEW HONG

MBBS (SINGAPORE), FRCS (EDINBURGH AND
GLASGOW), FAMS (UROLOGY), FICS
UROLOGY (LAPAROSCOPY & ROBOTIC)

15. DR CHENG CHING LI BOBBY

MBBS (SINGAPORE), FRCS (EDINBURGH), MMED
(OPHTHALMOLOGY, GOLD MEDAL), FAMS
OPHTHALMOLOGY (VITREORETINAL)

16. DR NG TAY MENG

MBBS (SINGAPORE), MMED (SINGAPORE) MRCP
(UK), FAMS, FRCS (EDINBURGH)
GASTROENTEROLOGY (ENDOSCOPY)

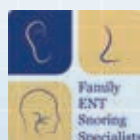
17. DR SOON SUE RENE

MBBS (SINGAPORE), MRCS (EDINBURGH), MMED
(ORL), FRCS (ORL)
OTORHINOLARYNGOLOGY (ADULT AND
PAEDIATRIC ENT)

KEY DEVELOPMENTS

1/11/2020

ENT clinic opening at Farrer Park Medical Centre and new ENT surgeon – **Dr Soon Sue Rene** joined



27/8/2020

Fansipan 2 acquired a medical group comprising 2 private hospitals in Central Vietnam

21/8/2020

Invested in 23.8% share capital of Fansipan 2



2/4/2020

A new anaesthetist – **Dr Lim Tian Jin** joined the Group, under Asian Anaesthesia Care



Nov

Sept

Aug

May

Apr

Feb

2020

3/9/2020

\$4.0 million convertible bond converted into ordinary shares of the Company



2/5/2020

A new orthopaedic doctor – **Dr Dennis Ng Zhaowen** joined the Group, under The Orthopaedic Centre



19/2/2020

Completed 51.0% acquisition of CAH



SUSTAINABILITY REPORT

BOARD STATEMENT

The Board strongly holds sustainability with paramount importance and as an underlying consideration in our decision-making process for the best interests of our patients and stakeholders. In this report, we will review the environmental, social and governance factors and our efforts in conducting our operations at the highest standard.

ABOUT ASIAN HEALTHCARE SPECIALISTS LIMITED

Based in Singapore and listed on the Catalist of the SGX-ST on 20 April 2018, the Group provides a wide spectrum of general and specialised healthcare services. In our group, we comprise of anaesthesia, dermatology, family medicine, gastroenterology, orthopaedics, ophthalmology, otorhinolaryngology, urology, and rehabilitative services.

The Group comprises of 14 medical specialists, 2 family physicians and 1 physiotherapist operating at 14 clinics situated in accessible locations across Singapore.

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

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

ABOUT THIS REPORT

This report presents information for the financial year ended 30 September 2020 and covers our sustainability policies and performances as well as our strategy for the future. It has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option. Our GRI Index Table is located on pages 28 to 29, summarises the GRI Standards selected for reporting. Data and information from the past financial years have been included, where available. Our report is published on an annual basis, with our last report published in January 2020.












SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABILITY REPORT

In line with the United Nations Sustainable Development Goals ("SDGs"), the Group has given priority on SDGs 3, 4, 5, 8, 10, 11, 12, 13 and 16. Contributions to the SDGs has been mapped throughout this report through our sustainability topics. The following diagram indicates the icons that we have used throughout our report when a topic is aligned with a SDG.

This report will focus on our Singapore-based operating clinics where the majority of our work is carried out.

Company	Description of Services	Coverage in this SR
	Asian Anaesthesia Care, which is managed by a group of anaesthetists that engages in the business of providing anaesthetic and intensive care unit services.	
	<p>Cornerstone Asia Health is a medical group that provides multidisciplinary healthcare services across different specialisations such as gastroenterology, urology, ophthalmology, dermatology and family medicine.</p> <ul style="list-style-type: none"> • Bobby Cheng Eye & Retina Centre (Connexion) • CAH Specialists @ Farrer • Dermatology Associates (Connexion) • Ng Tay Meng Gastrointestinal and Liver Clinic • Ng Tay Meng Gastrointestinal Hepatology Centre • S H Ho Urology and Laparoscopy Centre (Gleneagles Medical Centre) • S H Ho Urology and Laparoscopy Centre (Mount Elizabeth Novena Specialist Centre) • Twin City Medical Centre (Great World City) 	
	<p>Family ENT Snoring Specialists is a newly setup corporation that aims to provide services for the treatment of ear, nose and throat ("ENT") conditions such as sleep apnoea, hearing loss and head and neck conditions.</p> <ul style="list-style-type: none"> • Adult & Child ENT Specialists 	
	Salvia Ventures Pte Ltd is a newly setup corporation that is an investment arm for healthcare-related investments in South-East-Asia.	
	<p>TOC Holdings is a group practice that provides a wide spectrum of general and subspecialised orthopaedic services.</p> <ul style="list-style-type: none"> • The Orthopaedic Centre (Farrer) Pte Ltd • The Orthopaedic Centre (Gleneagles) Pte Ltd • The Orthopaedic Centre (Novena) Pte Ltd • The Orthopaedic Centre (Orchard) Pte Ltd 	
	<ul style="list-style-type: none"> • The Orthopaedic Centre (International) Pte Ltd 	
		 In Scope  Not In Scope

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

SUSTAINABILITY REPORT

Ethical medicine is the foundation of our practice. Our vision is to be a leading provider of holistic medical care with a focus on excellence and ethics. We believe in creating our policies and deliver our services based on our six core values: service, team, responsibility, integrity, values and excellence. Each of the clinic managers and Doctors are responsible for keeping track of the sustainability performance of their clinic. These information are then passed on to the senior management who in turn reports our sustainability performance to the Board. The Board has ultimate oversight over our sustainability strategy, and works closely with senior management to continue to deliver safe and quality care to our patients.

MATERIALITY ASSESSMENT

Based on the materiality workshop done in 2018 with the help of an external consultant, followed by a peer-benchmarking exercise, we have identified the following list of issues that our management felt have the greatest impact on our stakeholders. The completed list is as shown:



SUSTAINABILITY REPORT







STAKEHOLDERS ENGAGEMENT

The Group understands that stakeholder engagement is critical to our success. As such, we value all of our stakeholders. However, due to the COVID-19 pandemic, there have been limitations in the physical meet-ups that we use to hold in the past years.

Stakeholder	Frequency	Method	Topics Raised	Our Response
Employees	Ad hoc	Physical and Online Meetings	Welfare and well-being Training and Development	Gathering of feedback and growth of knowledge
	Yearly Employee 360° review	Feedback Form	Career progression and self-development opportunities	Ensures employees' feedback are heard and processes can be improved
Investors	Annual	Annual General Meeting	Performance review Legal and regulatory compliance	Provision of half yearly announcements on investor relations website and SGX-NET
		Annual Reports		
	Half Yearly Ad hoc	Announcements		
Patients	Ad hoc	In-person Calls Meetings	Patient satisfaction	Frequent communication with patients to ensure repeat business and patient's well-being and satisfaction
Regulators/ Government	Ad hoc	Physical and Online Meetings and Conferences	Legal and Regulatory Compliance Rules of the SGX-ST	Frequent meetings with various regulatory bodies to ensure up-to-date compliance Regular attendance of medical conferences
Suppliers	Regularly	Physical and Online Meetings Emails	Product quality Health and safety	Ensure high quality by screening suppliers through partner hospitals

FY2020 CORPORATE SOCIAL RESPONSIBILITY PRIORITIES AND GOALS

This table summarises progress through FY2020 goals which were introduced in FY2019 sustainability report.

Priorities	FY2020 Goals	Performance
Medical and Biohazardous Waste 	<ul style="list-style-type: none"> ✓ To continue to achieve full compliance with the rules and regulations from MOH and NEA. 	Achieved
Employee Welfare and Retention 	<ul style="list-style-type: none"> ✓ To continue to assess specific training needs for all employees and improve the training programme for FY2020. ✓ To continue to maintain a turnover rate of 15% or less (excluding employee joined and left during the same FY). ✓ To continue to provide further training opportunities or award sponsorships to secure high quality fresh talent. 	Achieved Achieved Achieved
Workplace Health and Safety 	<ul style="list-style-type: none"> ✓ To maintain zero incidents of work related ill health. ✓ To continue to identify and investigate safety hazards for employees to improve safe practices. ✓ To continue to improve the safety training and advocate of employees on safe best practices in FY2020. 	Achieved Achieved Achieved
Corporate Social Responsibility 	<ul style="list-style-type: none"> ✓ To continue encouraging our employees to provide volunteer hours for community activities in FY2020 and consistently demonstrate our commitment in corporate social responsibility. 	Achieved
Regulatory Compliance, Fair Pricing and Billing Transparency, Patient Satisfaction and Quality of Care 	<ul style="list-style-type: none"> ✓ Implement patient satisfaction survey after treatment in FY2020 to receive patient feedback. 	The Covid-19 pandemics has increased the administrative procedures for patients to visit the Group's clinics. In consideration of patient experience, the Group has postponed the implementation of patient satisfaction survey.
Patient Data Personal Privacy 	<ul style="list-style-type: none"> ✓ To maintain zero complaints of breach of PDPA. ✓ To continue to provide training to all employees on patient data protection. 	Achieved Achieved

SUSTAINABILITY REPORT

ENVIRONMENTAL

Biomedical waste is a threat to the global environmental health. Considering the transmission of COVID-19 globally, improper handling of the biomedical waste might aggravate the spread of COVID-19 to medical staff and people who handle the waste.

Supporting the SDGs



MEDICAL AND BIOHAZARDOUS WASTES

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

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

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

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

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

Although we do not measure the amount of sharps wastes we dispose, we estimate our total sharps wastes based on how frequently we empty the 6L and 10L bins we keep in the clinics. All medical and bio-hazardous wastes are properly managed by our clinics in accordance with the rules and regulations from MOH and NEA.

In FY2020, there were no incidents of non-compliance with the rules and regulations from MOH and NEA.

TARGETS

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

SOCIAL

Our people form an important stakeholder segment and are a critical component to our long term success.

EMPLOYEE WELFARE AND RETENTION

EQUALITY AND DIVERSITY

We value and respect the diversity and inclusive of our employees. As at 30 September 2020, our total number of employees are 62, of which 61 are full-time and only 1 part-time employee. This is twice the number of employees we had in 2019 because of the recent acquisition of CAH and the recruitment of new medical specialists.

Supporting the SDGs



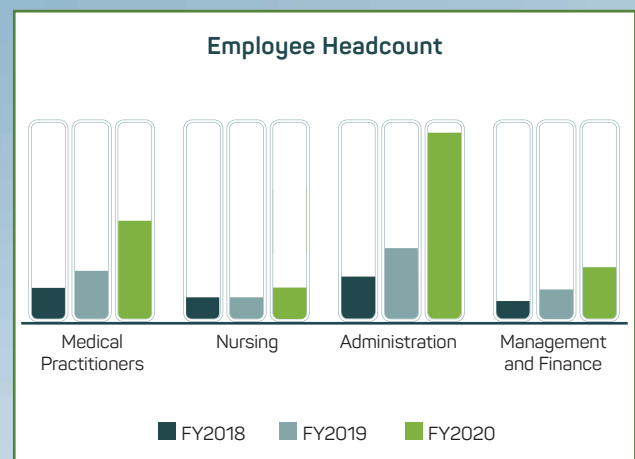
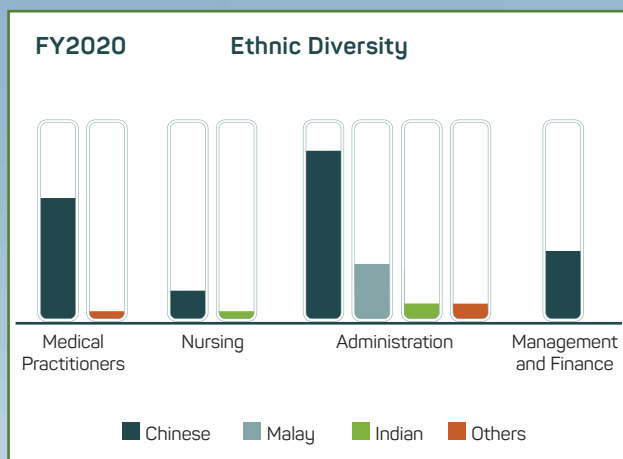
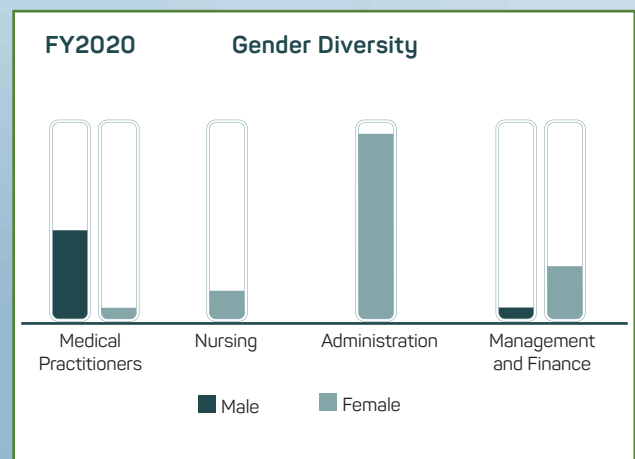
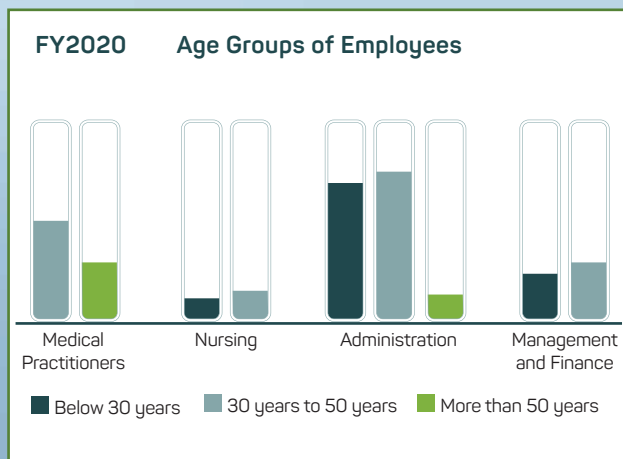
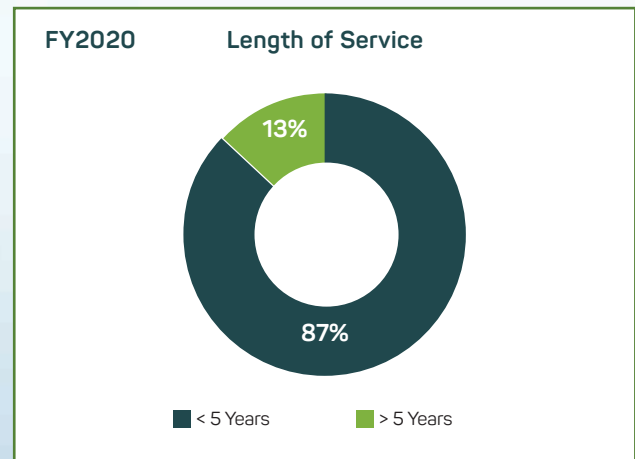
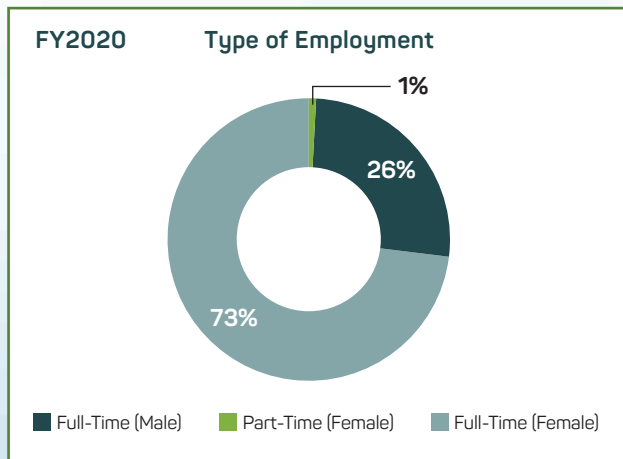
As all employees of CAH are considered new employees to the Group, only 13% of our staff have been with the Company for more than 5 years. Although most of our employees are in the age range of 30 to 50 years old, we value our matured workers who are in administration or medical specialists for their experience, knowledge and skills.

The ethnic composition of our workforce is 79% Chinese, 11% Malays, 5% Indians and 5% Others. While overall this distribution is relatively equal in both non-executive and executive categories, the proportion of ethnic Chinese personnel is higher. For gender diversity, 74% of our employees are made up of females and they are holding positions in all departments.

As an equal opportunity employer, we have established the following human resource related processes:

- Employees are selected based on merit and competency.
- Staff recruitment advertisements do not state age, race or gender preferences as requirement.
- Employees go through a performance appraisal at least once a year where it is transparent and it allows a 360 degree feedback of their respective managers.

EMPLOYMENT STATISTICS



SUSTAINABILITY REPORT

EMPLOYEE PROFILE

Number of Headcount	Medical Practitioners	Nursing	Administration	Management and Finance	Total
As at 30 September 2018	5	3	6	3	17
As at 30 September 2019	8	3	11	5	27
As at 30 September 2020	16	5	32	9	62

As at 30 September 2020	Male	%	Female	%	Total	%
Full-Time	16	26%	45	73%	61	99%
Part-Time	0	0%	1	1%	1	1%
Total	16	26%	46	74%	62	100%

LENGTH OF SERVICE

Number of Years	As at 30 September 2020	%
< 5 years	54	87%
> 5 years	8	13%

DIVERSITY

As at 30 Sep 2020	Medical Practitioners	Nursing	Administration	Management and Finance	Total
Gender					
Male	14	0	0	2	16
Female	2	5	32	7	46
Total	16	5	32	9	62
Age Groups					
< 30 years	0	2	14	4	20
30 to 50 years	10	3	15	5	33
> 50 years	6	0	3	0	9
Total	16	5	32	9	62
Ethnic Groups					
Chinese	15	4	21	9	49
Malay	0	0	7	0	7
Indians	0	1	2	0	3
Others	1	0	2	0	3
Total	16	5	32	9	62

TRAINING

Due to the COVID-19 situation, our doctors regularly attend peer review learning through webinars organised by the private hospitals of Singapore which is mandatory by the Singapore Medical Council for Doctors to maintain their practicing licenses. Our nurses also attended courses through webinars held by the various sales representatives to keep abreast with the current medical knowledge.

The table below shows the courses that have been attended by our employees or talks that our Doctors have given.

Date	Content	Speaker
6 June 2020	When is it not a sprain? Organiser: EOG Rizk Solutions in collaboration with The Rehab Lab	Dr Tan Sok Chuen
19 June 2020	Practical Management of Orthopaedic Conditions in Primary Care Organiser: Menarini	Dr Tan Sok Chuen
9 September 2020	Everything You Need To Know about Sports Injuries Organiser: Thomson Medical Centre	Dr Dennis Ng
29 September 2020	Musculoskeletal Disorders Related to Pregnancy Organiser: Thomson Medical Centre	Dr Tan Sok Chuen
23 October 2020	Reducing Surgical Site Infections and Overall Complications with sNPWT (PICO) Virtual Round Table Meeting Organiser: Smith and Nephew	Dr David Su

In addition, Dr Mashfiqul's research paper titled "No Difference in Functional Outcome but Higher Revision Rate among Smokers Undergoing Cervical Artificial Disc Replacement: Analysis of a Spine Registry" was accepted by the International Journal of Spine Surgery for publication.

In FY2020, we had achieved 0% turnover rate, excluding employees who joined and left during the same financial year.

TARGETS

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

WORKPLACE HEALTH AND SAFETY

We place great emphasis on the health and safety of our employees. In this crucial period of dealing with a pandemic, it is even more important.

Supporting the SDGs



All the clinics and corporate office are issued with Fire Safety Certificates before the commencement of operations. In addition, there is a fixed schedule to clean and sanitise the premises to minimise any potential health hazards.

All medical equipments are properly certified with the relevant authorities such as Health Sciences Authority or Ministry of Manpower. A preventive maintenance contract is signed for each of the equipment with the supplier to ensure safe and optimal functioning. Only qualified and trained personnel are allowed to operate the equipment and perform the relevant duties.

SUSTAINABILITY REPORT

When new employees join the team, basic medical knowledge and emergency preparedness training is imparted to them during their probation. During their training, they are provided with our safety protocols such as basic handwashing, handling of sharps, biomedical wastes and medical equipments. At the end of their probation, they will be assessed by the clinic managers and Doctors on their ability to handle the various administrative or clinical procedures.

In FY2020, there were no incidents of work-related ill-health.

TARGETS

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

CORPORATE SOCIAL RESPONSIBILITY

In response to the COVID-19 pandemic outbreak, our GP clinic, Twin City Medical Centre, enrolled and was activated as a Public Health Preparedness Clinic ("PHPC") to serve the primary healthcare needs of Singaporeans during this crucial period.

Supporting the SDGs



TARGETS

- ✓ To continue encouraging our employees to provide volunteer hours for community services in FY2021, and consistently demonstrate our commitments in corporate social responsibility.

GOVERNANCE

Built on a foundation of strong moral ethics and principles, we are committed to protect, support and save our patients. This responsibility stretches beyond our medical work and includes regulatory compliance of fair pricing, billing transparency, legal compliance and patient data privacy. The list below shows the relevant governing bodies of which the management team makes decision and designs protocols on:

Supporting the SDGs



- Accounting and Corporate Regulatory Authority ("ACRA")
- Allied Health Professions Council ("AHPC")
- Central Provident Fund Board ("CPFB")
- Health Services Authority ("HSA")
- Inland Revenue Authority of Singapore ("IRAS")
- Singapore Exchange Securities Trading Limited ("SGX-ST")
- Ministry of Health ("MOH")
- Ministry of Manpower ("MOM")
- Ministry of Trade and Industry ("MTI")
- National Environment Agency ("NEA")
- Optometrists & Opticians Board ("OOB")
- Patient Data Privacy Act ("PDPA")
- Securities and Futures Act
- Singapore Companies Act
- Singapore Medical Council ("SMC")
- Singapore Nursing Board ("SNB")

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

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

Supporting the SDGs



Since the fee guidelines was published by MOH in November 2018, it has guided the structure of our consultancy fee services and transparency in fair pricing to the public. In addition, the Group has contracts with a few managed healthcare companies and private insurance companies such as NTUC Income, Aviva Ltd and Great Eastern to ensure that our medical specialists will abide to the fee guidelines as well as provide a fuss-free service for our patients.

Our procurement team led by our COO, consists of our medical specialists, clinic managers and finance team, work closely together to ensure that suppliers provide adequate and cost-efficient medical supplies and consumables. In addition, we always ensure that these medical supplies and consumables have been approved by the Health Sciences Authority. Further, when a new product is launched, the Doctors will monitor extensively on the product and keep abreast with any updates from MOH to ensure that the medical product is safe for use, feasible and affordable.

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

In FY2020, there were no incidents of non-compliance with regards to the health and safety impacts of services; regulations concerning product and service information and labelling, laws and regulations in the social and economic areas.

TARGETS

- ✓ To implement patient satisfaction survey after treatment in FY2021 to receive patient feedback.

PATIENT DATA PERSONAL PRIVACY

Dr Tan Chyn Hong is our appointed Data Protection Officer and he works closely with our COO, Miss Violet Kwek and Appointed Data Protection Officer of Cornerstone Asia Health, Miss Ariel Peh. Both Miss Kwek and Miss Peh attended and completed the course – Practitioner Certificate in Personal Data Protection (Singapore) in July and September 2020 respectively.

Supporting the SDGs



The following protocols were implemented across all the subsidiaries:

- All patients registering at the counter will have to fill up a PDPA form
- Shredding of all documents that contain personal information, medical records, and/or private and confidential data
- Standard of Protocol for IT Cybersecurity is in place

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

In FY2020, there were no complaints received concerning breaches of patient data privacy in FY2020.

TARGETS

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



SUSTAINABILITY REPORT





OUR RESPONSE TO COVID-19






In response to the impact of the COVID-19 outbreak, Management had designed a Business Continuity Plan with an appropriate response guide in accordance to the Disease Outbreak Response System Condition ("**DORSCON**"). The DORSCON framework enabled the Company to respond immediately to any outbreak and serves as the nucleus to ramp up for a higher level of response during a pandemic. The matrix approach further provides for the flexibility to adopt responses as building blocks that can be tailored to each unique scenario. Despite the uncertainty, the Company will stay firmly grounded to our values and medical ethos for all our stakeholders.

OPERATIONS

To ensure the safety of our employees and the patients that we serve, we introduced health and safety measures to make adjustments to our daily operations based on the evolving situation. Compliance, instructed to work with COVID-19 restrictions were strictly adhered to. The measures taken were made on the basis to strike a balance with the restrictions set by MTI and MOH. As of the latest practicable date, the Group has not been in any breach in compliance with any of the regulatory bodies.



<p>All Employees</p> 	<ul style="list-style-type: none"> Temperature screening was compulsory for every employee twice a day.
<p>Clinic Premises</p> 	<ul style="list-style-type: none"> All patients and visitors to the clinics had to fill up the Health Declaration Form ("HDF") prior to entering any of the clinics. The HDF was revised a few times to ensure it was updated with accuracy whenever we received an update of a suspect case definition from MOH.
<p>Corporate Office</p> 	<ul style="list-style-type: none"> All employees at Corporate Office were classified as providing "non-essential services" during the Circuit Breaker ("CB"). Thus, they were instructed to work from home with immediate effect of 7 April 2020. We continue to encourage all employees at Corporate Office to work from home and abide strictly to safe distancing measures.
<p>Deployment and/or Secondment</p> 	<ul style="list-style-type: none"> From 10 February 2020 to 17 July 2020, MOH issued a guidance on movement restrictions for all healthcare workers as they recognised the risk of cross-institutional transmission is high among the hospitals in the private sector. We strategically split our medical specialists into different teams to ensure that patients will receive continuity of care in a safe environment.

<p>Disinfection and Sanitisation</p> 	<ul style="list-style-type: none"> Regardless of the clinics or the corporate office, appropriate disinfectants with indication of effectiveness against coronaviruses were used for disinfection of all common surfaces and equipment on a regular basis. Stringent protocols were also set up and disseminated to all employees if they may be and/or exposed to a confirmed case of COVID-19.
<p>Personal Protective Equipment ("PPE")</p> 	<ul style="list-style-type: none"> Our supply chains for medical equipment such as PPE were not disrupted as the Company had a backup supply in readiness for such a pandemic. MOH also had provided a channel for regular supply and top up of medical supplies.
<p>Public Health Preparedness Clinic ("PHPC")</p> 	<ul style="list-style-type: none"> In February 2020, Twin City Medical Centre was enrolled and activated as a PHPC to care for patients with respiratory symptoms. All healthcare workers were supplied with necessary PPE and familiarised with appropriate care protocols according to the assessed risk and diagnosis of each patient. We recognise PHPC as an important line of defence during public health outbreaks. Subsidised treatment and medications were provided to patients and patients suspected of pneumonia were referred to hospitals.
<p>Travel Restrictions</p> 	<ul style="list-style-type: none"> All corporate travels were cancelled with immediate effect. All employees who intend to travel overseas should declare their travel plans to their supervisors and is subject to approval from Management. All health and travel declarations of employees working in the frontline i.e. Doctors, nurses, clinic executives and cleaners were provided to the respective hospitals for collation to be submitted to MOH. Telemedicine was introduced to provide local patients on Stay Home Notice and foreign patients to have follow-up care with their practitioners.
<p>Community</p> 	<ul style="list-style-type: none"> Our GP Clinic enrolled and was activated as PHPC.

GRI INDEX TABLE

Disclosure Number	Disclosure Title	Reference
GENERAL DISCLOSURES		
102-1	Name of the organisation	15
102-2	Activities, brands, products, and services	15-16
102-3	Location of headquarters	16
102-4	Location of operations	16
102-5	Ownership and legal form	15-16
102-6	Markets served	16
102-7	Scale of the organisation	21-22, 69-70
102-8	Information on employees and other workers	21-22
102-9	Supply chain	15
102-10	Significant changes to the organisation and its supply chain	15-16
102-11	Precautionary Principle or approach	20
102-12	External initiatives/charters	24
102-13	Membership of associations	24
102-14	Statement from senior decision-maker	15
102-16	Values, principles, standards, and norms of behaviour	15, 17
102-18	Governance structure	17
102-40	List of stakeholder groups	18
102-41	Collective bargaining agreements	The Group does not have any collective bargaining agreement
102-42	Identifying and selecting stakeholders	18
102-43	Approach to stakeholder engagement	18
102-44	Key topics and concerns raised	18
102-45	Entities included in the consolidated financial statements	108-109
102-46	Defining report content and topic boundaries	16
102-47	List of material topics	17, 19
102-48	Restatements of information	No restatements of information
102-49	Changes in reporting	No significant changes in reporting
102-50	Reporting period	15
102-51	Date of most recent report	15
102-52	Reporting cycle	15
102-53	Contact point for questions regarding the report	17

GRI INDEX TABLE

Disclosure Number	Disclosure Title	Reference
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Medical and Biohazardous Waste (Effluents and Waste 2016)		
103-1/2/3	Management Approach	20
306-2	Waste by type and disposal method	
Employee Welfare and Retention (Employment 2016)		
103-1/2/3	Management Approach	20-23
401-1	New employee hires and employee turnover	21-22
Worker Health and Safety (Occupational Health and Safety 2018)		
103-1/2/3	Management Approach	23-24
403-10	Work-related ill health	
Corporate Social Responsibility (Local Communities 2016)		
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413-1	Operations with local community engagement, impact assessments, and development programs	
Quality of Care and Patient Satisfaction (Customer Health and Safety 2016)		
103-1/2/3	Management Approach	24-25
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
Fair Pricing and Billing Transparency (Marketing and labelling 2016)		
103-1/2/3	Management Approach	24-25
417-2	Incidents of non-compliance concerning products and service information and labelling	
Patient Data Privacy (Customer Privacy 2016)		
103-1/2/3	Management Approach	25
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Regulatory and Legal Compliance (Socioeconomic Compliance 2016)		
103-1/2/3	Management Approach	24
419-1	Non-Compliance with Laws and Regulations in the Social and Economic Area	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

Chin Pak Lin
(Chief Executive Officer)
Yue Wai Mun
(Chief Medical Officer)
Cheng Ching Li

Non-Executive:

Leow Chung Chong Yam Soon
(Independent Director and Chairman of the Board)
Siek Wei Ting (Xie Weiting)
(Independent Director)
Vikram Nair
(Independent Director)
Yeo Wee Kiong
(Non-Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Ngiam May Ling

REGISTERED OFFICE

38 Irrawaddy Road #09-42
Singapore 329563

BANKERS

DBS Bank Ltd
Standard Chartered Bank (Singapore) Limited
Overseas-Chinese Banking Corporation Limited

SHARE REGISTRAR

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

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay #24-02
Singapore 048580
Registered Professional: Mr Mah How Soon

AUDITORS

KPMG LLP

16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-Charge: Mr Lim Jek
(a member of the Institute of Singapore Chartered Accountants)
Appointed w.e.f. financial year ended 30 September 2018

CORPORATE GOVERNANCE REPORT

INTRODUCTION

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

The Company has complied in all material respects with the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) which forms part of the continuing obligations of the Rules of Catalist of the SGX-ST (the “**Catalist Rules**”), to the extent possible. This report sets out the Group’s key corporate governance practices with reference to the Code, where appropriate. Where there are deviations from the Code, appropriate explanations have been provided.

BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1 – The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Role of the Board

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

The principal duties and responsibilities of the Board include:

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

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- establishing a framework of prudent and effective internal controls and evaluating the adequacy of internal controls and risk management, including safeguarding of shareholders' interests and the Group's assets;
- approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding, investment proposals, divestments (if any), issuance of shares, dividends and proposals relating to shareholder returns, the Group's half yearly and full year results and material interested person transactions ("IPT"); and
- ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct.

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

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

- a. Strategies and objectives of the Group, including annual budget and forecasts;
- b. Delegation of authority matrix (if any);
- c. Announcements on financial results;
- d. Directors' Statement and Audited Financial Statements;
- e. Annual Report and Sustainability Report;
- f. IPT;
- g. Declaration of interim dividends and proposal of final dividends to shareholders;
- h. Corporate action/exercises, including issuance of new shares in the capital of the Company; and
- i. Material acquisition and disposal of assets/investments, including material financial/funding arrangements and capital expenditures.

Board Committees

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

- Audit and Risk Management Committee ("**ARMC**")
- Nominating Committee ("**NC**")
- Remuneration Committee ("**RC**")

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

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

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

Board composition/Name of Director	ARMC	NC	RC
Dr Chin Pak Lin (Executive Director and Chief Executive Officer (" CEO "))	–	–	–
Dr Yue Wai Mun (Executive Director and Chief Medical Officer (" CMO "))	–	–	–
Mr Leow Chung Chong Yam Soon (" Paul Leow ") (Non-Executive Chairman and Independent Director)	Chairman	Member	Member
Mr Siek Wei Ting (Xie Weiting) (" Ryan Siek ") (Independent Director)	Member	Chairman	Member
Mr Vikram Nair (Independent Director)	Member	Member	Chairman
Dr Cheng Ching Li (" Bobby Cheng ") (Executive Director)	–	–	–
Mr Yeo Wee Kiong (Non-Executive and Non-Independent Director)	–	–	–

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

Board Meetings and Attendance

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committees' meetings for the calendar year 2021 have been scheduled in advance in consultation with the Directors to ensure maximum attendance.

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

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Attendance via telephone or video conference, if required, at Board or Board Committees' meetings is permitted by the Company's Constitution and/or the written terms of reference of the Board Committees, as the case may be. Adhoc meetings will be convened where circumstances require as such. The attendance record of each Director at meetings of the Annual General Meeting ("AGM") held on 23 January 2020 for FY2019, Board and Board Committees for the purposes of the financial year ended 30 September 2020 ("FY2020") is disclosed below:

Number of meetings held in FY2020	AGM	Board	ARCM	NC	RC
	1	2	2	1	1
Name of Director	Number of meetings attended in FY2020				
Dr Chin Pak Lin	1	2	2*	1*	1*
Dr Yue Wai Mun	1	2	2*	1*	1*
Mr Paul Leow	1	2	2	1	1
Mr Ryan Siek	1	2	2	1	1
Mr Vikram Nair	1	1**	1**	0**	0**
Dr Bobby Cheng ⁽¹⁾	0	2	2*	1*	1*
Mr Yeo Wee Kiong ⁽²⁾	0	1	1*	1*	1*

Notes:

* Attendance by invitation

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

(1) Dr Bobby Cheng was appointed as an Executive Director of the Company with effect from 19 February 2020.

(2) Mr Yeo Wee Kiong was appointed as Non-Executive and Non-Independent Director of the Company with effect from 3 September 2020.

With the number of meetings attended by all the Director and review by NC, the Board is satisfied that the Directors with multiple board representations and other principal commitments, have been able to devote sufficient time and attention to the affairs of the Company to adequately and satisfactorily discharge his duties as director of the Company, notwithstanding their multiple appointments and commitments in FY2020.

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

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

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

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

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

Role of Company Secretary

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

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

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

Board Induction and Training

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

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

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

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

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

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Dr Bobby Cheng was appointed as an Executive Director on 19 February 2020. Although Dr Bobby Cheng did not have any prior experience as a director of an issuer listed on the SGX-ST, he had attended the requisite training organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a company listed on the SGX-ST to meet the mandatory training requirements under Rule 210(5) of the Catalist Rules.

Mr Yeo Wee Kiong was appointed as a Non-Executive and Non-Independent Director on 3 September 2020. Mr Yeo has prior experience as an Independent Director on a number of listed companies on SGX-ST.

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

Board Composition and Guidance

Principle 2 – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Composition

As at 30 September 2020, the Board comprises seven Directors, of whom three are Executive Directors, three are Independent Directors and one is a Non-Executive and Non-Independent Director. None of the Directors are related to one another. Other than Dr Chin Pak Lin, Dr Yue Wai Mun and Dr Bobby Cheng, none of the Directors is a former or current employee of the Company or any of its subsidiaries.

None of the Directors has an alternate Director.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is appropriate and conducive for effective discussion and decision-making, with a strong element of independence. The Board is not required to comprise of a majority of Independent Directors as the Chairman is independent. There is a strong and independent element on the Board and the Company is in compliance with Provisions 2.1 and 2.3 of the Code.

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

Board diversity

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

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

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

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

Review of Directors' Independence

The NC evaluates on an annual basis whether or not a Director is independent in accordance with Rule 406(3)(d) of the Catalyst Rules and the Code bearing in mind the Code's definition of an "Independent Director" and guidance as to the relationships, the existence of which would deem a Director not to be independent. Under the Code, an Independent Director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Under the Catalyst Rules, a Director will not be deemed independent if he is employed by the Company or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the past three financial years, and whose remuneration is determined by the Company's Remuneration Committee.

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

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

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

For FY2020, the NC and the Board have assessed the independence of each of the Independent Directors.

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Mr Vikram Nair, an Independent Director of the Company, is a partner of Rajah & Tann Singapore LLP ("R&T"), which is one of the law firms which provided legal services to the Group in FY2020. Mr Vikram Nair had declared to the NC that he did not have a 5% or more stake in R&T, that he did not involve himself in the selection and appointment of legal advisors for the Group. Mr Vikram Nair is not involved in the provision of legal services by R&T to the Company and was not involved in the negotiations, deliberations and the delivery of services by R&T to the Group. Fees charged by R&T to the Group were on an arm's length basis and were based on normal commercial terms. Mr Vikram Nair has not previously provided any legal services to the Group. Mr Vikram Nair has abstained and will abstain from and will not be involved in any discussions, deliberations or decisions of the Board in relation to any transactions or dealings with R&T.

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

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

Based on the Declarations Forms provided by these Directors and taking into account the provisions in the Code and the considerations set out above, the Board has determined that save for Dr Chin Pak Lin, Dr Yue Wai Mun and Dr Bobby Cheng who are Executive Directors, Mr Paul Leow, Mr Ryan Siek and Mr Vikram Nair are considered to be Independent Directors, whereas Mr Yeo Wee Kiong is considered to be a Non-Executive and Non-Independent Director.

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

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

Chairman & Chief Executive Officer ("CEO")

Principle 3 – There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Role of Chairman

The principal duties and responsibilities of the Non-Executive Chairman include:

Leading the Board to ensure its effectiveness on all aspects of its roles;

- Scheduling meetings for the Board to discharge its duties, including setting the agenda in consultation with the CFO, Company Secretary and the Chairman of the respective Board Committees, and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Promoting a culture of openness and debate at the Board;
- Coordinating activities of the Independent Directors and facilitate the effective contribution of the Independent Directors;

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- Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board to ensure that the Directors receive complete, adequate and timely information;
- Encouraging constructive relations within the Board and between the Board and Management;
- Ensuring effective communication with shareholders; and
- Assisting in ensuring the Company's compliance with corporate governance guidelines and promoting high standards of corporate governance.

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

Role of CEO

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

As recommended by Provisions 3.1 of the Code, the roles of the Chairman and CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

Mr Paul Leow serves as the Non-Executive Independent Chairman whereas Dr Chin Pak Lin serves as the CEO.

Board Membership

Principle 4 – The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

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

The terms of reference of the NC provides that the NC shall comprise at least three Directors, the majority of whom including the NC Chairman, shall be Independent Directors. The NC comprises all Independent Directors with Mr Ryan Siek as the Chairman and Mr Paul Leow and Mr Vikram Nair as members.

The principal duties and responsibilities of the NC include:

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

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- reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code (as may from time to time be amended, modified or supplemented) and any other salient factors;
- reviewing the composition of the Board annually to ensure that the Board and the Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- implementing a process for assessing the effectiveness of the Board as a whole and the Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board and each Board Committee on which he sits;
- reviewing and approval of any employment of all managerial staff and employees who are related to any of the Directors, Substantial Shareholders or the CEO and the proposed terms of their employment; and
- where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representation and other principal commitments. If necessary, to set up internal guidelines to address the competing time commitments that is faced when Directors serve on multiple boards.

Succession Planning and Nomination Process

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

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

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

Directors' Time Commitment

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

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In determining if a Director is able to and has been adequately carrying out his duties as Director of the Company, the Board, with the concurrence of the NC, has taken into consideration the Director's number of listed company board representations and other principal commitments.

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

Name of Director	Date of first appointment	Date of last re-election	Directorships in other listed companies ⁽¹⁾	
			Current	Past 3 Years
Dr Chin Pak Lin	27 September 2017	28 January 2019	Please refer to page 146 of this Annual Report.	Please refer to page 146 of this Annual Report.
Dr Yue Wai Mun	27 September 2017	23 January 2020	–	–
Mr Paul Leow	28 March 2018	28 January 2019	Please refer to page 146 of this Annual Report.	Please refer to page 146 of this Annual Report.
Mr Ryan Siek	28 March 2018	28 January 2019	–	• China Minzhong Food Corporation Pte. Ltd. ⁽²⁾
Mr Vikram Nair	28 March 2018	23 January 2020	–	–
Dr Bobby Cheng	19 February 2020	–	Please refer to page 146 of this Annual Report.	Please refer to page 146 of this Annual Report.
Mr Yeo Wee Kiong	3 September 2020	–	Please refer to page 146 of this Annual Report.	Please refer to page 146 of this Annual Report.

Notes:

(1) The principal commitment of each Director is set out in the "Board of Directors" section of this annual report.

(2) China Minzhong Food Corporation Pte. Ltd. (formerly known as China Minzhong Food Corporation Limited) was delisted from the Main Board of SGX-ST on 28 February 2017 although Mr Ryan Siek remained as a Non-Executive Director.

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

Annual Determination of Directors' Independence

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

CORPORATE GOVERNANCE REPORT

Rotation and Re-election of Directors

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

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Dr Chin Pak Lin and Mr Paul Leow who will be retiring pursuant to Regulation 110, and Dr Bobby Cheng and Mr Yeo Wee Kiong will be retiring pursuant to Regulation 114 of the Company's Constitution at the forthcoming AGM.

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

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

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

Board Performance

Principle 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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

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

Board Evaluation Process

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

CORPORATE GOVERNANCE REPORT

Individual Director Evaluation

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

For FY2020, based on the completed Questionnaire submitted by all Directors and in consultation with the NC, the Board is of the view that the Board, the Board Committees and each individual Directors have fared well against the performance criteria and satisfied with the performance of the Board and the Board Committees and each director is contributing to the overall effectiveness of the Board. No external facilitator was involved in the performance evaluation process in FY2020.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 – The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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

The principal duties and responsibilities of the RC include:

- reviewing and recommending to the Board of Directors, in consultation with the Chairman of the Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and key management personnel;
- reviewing and recommending to the Board of Directors, for endorsement, the specific remuneration packages for each of the Directors and key management personnel;
- reviewing and approving the design of all share option plans, performance share plans and/or other equity based-plans and benefits-in-kind;
- in the case of service contracts and employment contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance; and
- approving performance targets for assessing the performance of each of key management personnel and recommend such targets as well as employee specific remuneration packages for each of such key management personnel, for endorsement by the Board of Directors.

CORPORATE GOVERNANCE REPORT

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

For FY2020, the Company has in place a Service Agreement for each Executive Director which sets out their remuneration framework. Such Service Agreements are for an initial period of seven years. The Company may, at its discretion, extend the initial term by a further period of three years, by providing notice of not less than six months to the Executive Directors prior to the scheduled expiry of the initial seven years period.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company, as the Executive Directors owe fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Company is of the view that the variable component of the remuneration packages of the Executive Officers is moderate and not at risk of jeopardising good stewardship. At present, there is no necessity for the Company to institute contractual provisions in the service agreements to reclaim incentive components of remuneration paid in prior years from the Executive Officers in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

For FY2020, there were no termination, retirement and post-employment benefits granted to Executive Directors and key management personnel.

The RC, if required, will seek expert advice, both within and outside the Company on remuneration of all Directors. No remuneration consultant was engaged in FY2020.

Level and Mix of Remuneration

Principle 7 – The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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

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

CORPORATE GOVERNANCE REPORT

Only Non-Executive Directors receive directors' fees for their services. Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. Comparisons are made periodically against directors' fees of other listed companies with similar market capitalisation as the Company to ensure that the Directors' fees are within market norms and commensurate with responsibilities of the Non-Executive Directors. No Director is involved in deciding his own remuneration package. The Directors' fees will only be paid upon approval by the shareholders at the AGM. These measures serve to assure that the independence of the Non-Executive Directors is not compromised by their compensation.

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

Notes:

Fixed Component

Fixed pay comprises basic salary and Annual Wage Supplement.

Variable Component

This component refers to the variable bonus and contractual payments that are paid based on the Group's and individual's performance.

Provident Fund

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

Benefits

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

Share Plan

The Company has adopted a performance share plan known as the AHS PSP on 22 March 2018. The AHS PSP aims to motivate, recognise and reward contributions made by employees.

As at 30 September 2020, details of the awards under the AHS PSP ("**Awards**") on the issued ordinary shares of the Company are as follows:

<i>Table 8.1 – Movement of AHS PSP</i>					
Date of grant of Awards	Number of shares which are the subject of Awards granted as at 1 October 2019	Number of shares which are the subject of Awards granted during FY2020	Number of shares which are the subject of Awards which had lapsed/ were cancelled during FY2020	Number of shares which are the subject of Awards granted as at 30 September 2020	Number of holders
19 February 2020	–	900,000	–	900,000	5

CORPORATE GOVERNANCE REPORT

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

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

The level and structure of remuneration of the Directors and the Chairman and CEO are disclosed in Principle 8.

Disclosure on Remuneration

Principle 8 – The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Directors' Remuneration/Fees

The Directors' compensation for FY2020 is set out below:

	Salary/ Directors' fees %	Bonus %	AHS Performance Share Plan %	Total compensation (\$'000)
Executive Directors				
Dr Chin Pak Lin (CEO) (CEO)	100%	–	–	576
Dr Yue Wai Mun (CMO)	100%	–	–	552
Dr Bobby Cheng	100%	–	–	273
Independent Directors				
Mr Paul Leow	100%	–	–	38
Mr Ryan Siek	100%	–	–	34
Mr Vikram Nair	100%	–	–	34
Non-Independent Director				
Mr Yeo Wee Kiong	–	–	–	–

CORPORATE GOVERNANCE REPORT

The remuneration bands of the key management personnel of the Group (who are not Directors or the CEO) for FY2020 is set out below:

	Salary and Bonus %	AHS Performance Share Plan %
Above \$500,000 but below \$750,000		
Dr Tan Chyn Hong	100%	–
Dr David Su Hsien Ching	100%	–
Above \$250,000 but below \$500,000		
Dr Lim Tet Chen Roy	100%	–
Mr Seet Kah Wai	74.5%	25.5%
Below \$250,000		
Ms Kwek Jin Mei Violet	70.5%	29.5%
Dr Ho Siew Hong	100%	–
Dr Khoo Shih Wee @ Lawrence Khoo	100%	–
Dr Ng Tay Meng	100%	–
Dr Seah Sheng Heang Geoffry	100%	–

The aggregate remuneration paid to the above key management personnel (who are not Directors or the CEO) for FY2020 is \$2.68 million. Due to the confidentiality and commercial sensitivity attached to remuneration matters, in particular the key management personnel, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of key management personnel. Instead, the disclosures had been provided in applicable bands of \$250,000 as above, with a breakdown in percentage of the remuneration earned through salary and bonus and/or AHS PSP. Dr Ho Siew Hong is also a substantial shareholder of the Company.

The remuneration of the immediate family members of Director or substantial shareholders of the Company for FY2020 is set out below, where none of them has their remuneration exceeded \$100,000 during FY2020:

	Salary and Bonus %	AHS Performance Share Plan %
Below \$250,000		
Ms Lau Hui Ming Winnie ⁽¹⁾	100%	–
Ms Chong Mei Ling Carol ⁽²⁾	100%	–

Notes:

(1) Ms Lau Hui Ming Winnie is one of the Group's clinic managers and also the wife of a substantial shareholder and Executive Director of the Company, Dr Bobby Cheng.

(2) Ms Chong Mei Ling Carol is one of the Group's clinic managers and also the wife of a substantial shareholder of the Company, Dr Ho Siew Hong.

Save as disclosed, no other employee of the Group are substantial shareholders of the Company, or are immediate family members of a Director or the CEO or a substantial shareholder of the Company for FY2020.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The ARC has been established by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

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

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

The Board, with the assistance of the ARMC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for FY2020 considered issues dealt with in reports reviewed by the Board during the year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2020.

At the Board meeting held on 25 November 2020, the Board had received written confirmation from the CEO and the CFO that as at FY2020, to the best of their knowledge:

- (a) the financial records of the Group have been properly maintained and the financial statements for the FY2020 give a true and fair view of the Company's operations and finances; and
- (b) the internal controls (including financial, operational, compliance and information technology controls) and risk management systems established by the Group were adequate and effective as at FY2020.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the Internal Auditors and External Auditors, and reviews undertaken by Management, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at FY2020 to meet the needs of the Group, taking into account the nature and scope of its operations.

For FY2020, both the Board and the ARMC had not identified any material weaknesses in the internal controls and risk managements systems of the Group.

CORPORATE GOVERNANCE REPORT

The internal controls and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10 – The Board has an Audit Committee which discharges its duties objectively.

The terms of reference of the ARMC provides that the ARMC shall comprise at least three Directors, all of whom shall be Non-Executive Directors and the majority of whom, including the ARMC Chairman, shall be Independent Directors. The ARMC comprises all Independent Directors with Mr Paul Leow as Chairman and Mr Ryan Siek and Mr Vikram Nair as members. The ARMC Chairman and Mr Ryan Siek have recent and relevant accounting or related financial management expertise and experience. In addition, the Board is satisfied that the ARMC members are appropriately qualified to discharge the ARMC's responsibilities. None of the members nor the ARMC Chairman are former partners or directors of the Group's existing auditing firm within the previous 2 years nor does any of them have any financial interests in the said auditing firm.

The principal duties and responsibilities of the ARMC include:

- assisting the Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the External Auditors;
- reviewing the External Auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls;
- reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board of Directors;
- reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls;
- reviewing any interested person transactions and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the internal audit function;

CORPORATE GOVERNANCE REPORT

- approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- appraising and reporting to the Board of Directors on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- making recommendations to the Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- undertake such other reviews and projects as may be requested by the Board of Directors, and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC; and
- undertake generally such other functions and duties as may be required by law or the Catalyst Rules, and by amendments made thereto from time to time.

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

The members of the ARMC also take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements as and when the ARMC, or the Board or the Company, deems necessary and appropriate. Changes to the various accounting standards are monitored closely by management. Where these changes have an important bearing on the Company’s disclosure obligations, the Directors (including members of the ARMC) are kept informed of such changes from time to time through circulation of the relevant changes which are also tabled during Board meetings.

The Internal Auditors have adopted the Standards of Professional Practice of Internal Auditing set by the Institute of Internal Auditors and is independent and adequately resourced when performing their audits. The Internal Auditors periodically review the adequacy of and compliance with group policies, procedures and internal controls which are designed to manage risk and safeguard the Group’s assets. The Internal Auditors have unrestricted access to all the Company’s documents, records, properties and personnel, including access to the ARMC.

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

CORPORATE GOVERNANCE REPORT

The ARMC meets with the Group's Internal Auditors and External Auditors and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. For FY2020, the ARMC has met two times with External Auditors and one time with Internal Auditors and:

- (i) met up with the Internal and External Auditors, without the presence of Management, to discuss their findings set out in their respective reports to the ARMC. Both the Internal and External Auditors confirmed that they received the full co-operation of Management and no restrictions were placed on the scope of the respective audits;
- (ii) conducted a review of the non-audit services provided by the External Auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors as well as the cost-effectiveness of the audit before confirming their re-nomination. The following fees for FY2020, amounting to \$189,000 were approved:

Audit fees	\$189,000
Non-Audit fees	Nil

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

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

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

- (iv) confirmed that the Company had complied with Rule 715 of the Catalist Rules in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, and its foreign-incorporated subsidiaries. The Group's subsidiaries are disclosed under Note 7 of the Notes to the Financial Statements on pages 108 to 109 of this Annual Report.

The ARMC, with the concurrence of the Board, had recommended the re-appointment of Messrs KPMG LLP as External Auditors for FY2020 at the forthcoming AGM, based on their performance and quality of their audit.

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

Key Audit Matters

The External Auditors have set out the key audit matters in respect of FY2020 in the Independent Auditors' Report on pages 64 to 65 of this Annual Report. The ARMC concurs with the basis and conclusions included in the Independent Auditors' Report with respect to the key audit matters.

CORPORATE GOVERNANCE REPORT

Following the review and discussions, the ARMC was satisfied with the approach and appropriateness of methodologies used by Management, as adopted and disclosed in the financial statements, and recommendation was made by the ARMC to the Board to approve the financial statements.

Whistleblowing Policy

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

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 – The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12 – The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13 – The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

CORPORATE GOVERNANCE REPORT

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

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

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

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

The AGM is the principal forum for dialogue with shareholders. The Board welcomes questions and comments relating to the Group's business and performance from shareholders at AGMs. Shareholders are given an opportunity to air their views and direct questions to the Board and management on matters affecting the Group. The Chairman facilitates constructive dialogue between shareholders and the Board, management, external auditors and other relevant professionals and from time to time, directs other Directors to answer queries on matters related to their roles.

Shareholders will be informed of the rules, including voting procedures that govern general meetings of shareholders. The Constitution allows a shareholder to appoint a proxy to attend and vote in his place at general meetings. Nominee companies and relevant intermediaries, as defined in Section 181 of the Companies Act, may appoint more than 2 proxies to speak, attend and vote at general meetings.

According to the Constitution, all resolutions at general meetings shall be voted by poll. With poll voting, shareholders present in person or represented by proxy at general meetings will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for poll voting will be explained at the general meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET and made available on the Company's website after the conclusion of the general meetings. The Company relies on the advice of the independent scrutineers to determine the need for electronic voting, taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors.

CORPORATE GOVERNANCE REPORT

The Board, the Management and the External Auditors (if required) will also be present at general meetings to address any relevant queries the shareholders may have. At the general meetings, the Company Secretary will prepare the minutes of the general meetings which would include substantial or relevant comments from shareholders and the minutes of the general meetings will be made available to shareholders, upon their request within one month after the general meeting. Notwithstanding that the Company currently does not publish minutes of general meetings on its corporate website, the Company is of the view that shareholders have the opportunity to understand the Group's performance, position and prospects as the Company makes these minutes available to shareholders upon request and upon authentication of the shareholder's identity.

In light of the COVID-19 pandemic, the Company's AGM 2021 will be held via electronic means. Shareholders will not be able to attend the AGM in person, but they may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the notice of the AGM 2021 and announcement dated 13 January 2021 for further information.

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

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

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

The Company maintains its corporate website www.asianhealthcare.com.sg providing information about the Company such as the Board of Directors, services provided by the Group, as well as all announcements of the Company submitted via the SGXNET. Stakeholders can also contact the Company through phone or via the enquiry form, details of which can be found on the Company's website.

Dividend Policy

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

CORPORATE GOVERNANCE REPORT

The Board has recommended a final dividend of 0.15 Singapore cents per ordinary share for FY2020, which is subject to the approval of the shareholders at the forthcoming AGM.

Sustainability Reporting

Stakeholder engagement forms an integral part of the Company's sustainability approach. The Company's stakeholders have an interest in the Company's business and influences the Company's operations, products and services, business approach and strategies. The Company's stakeholders have been identified as its customers, business partners and suppliers, shareholders, employees, government/regulatory agencies and the community.

The Company proactively engages with its stakeholders on a regular, continuing basis through various channels and means to gain insights to their expectations and concerns and use these learnings to make informed management decisions in shaping the Company's business policies and strategies, so as to create sustainable business growth and value for all stakeholders.

How the Company engages with its diverse stakeholders, their expectations and concerns, and how the Company responds to them are disclosed in the Company's sustainability report found on pages 15 to 29 of this Annual Report.

DEALINGS IN SECURITIES

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

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

The Board confirms that for FY2020, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS ("IPTs")

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

It was noted that the IPTs that were transacted during the year under review were below the threshold limits as set out under Chapter 9 of the Catalyst Rules and no announcements or shareholders' approval were, therefore, required. There were also no IPTs of \$100,000 or above for FY2020.

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review including transactions less than \$100,000 \$'000
Transactions less than \$100,000	
CTS Holding Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #14-05, Connexion, Singapore 217562 by The Orthopaedic Centre (Farrer) Pte. Ltd. from CTS Holding Pte. Ltd.	96
Retina Services International Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #12-01, Connexion, Singapore 217562 by RSI Medical Pte. Ltd. from Retina Services International Pte. Ltd.	27

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

Name of Related Employees	Aggregate amount of employment salary during the financial year under review \$'000
Ms Lau Hui Ming Ms Lau Hui Ming Winnie is one of the Group's clinic managers and also the wife of a substantial shareholder and Executive Director of the Company, Dr Bobby Cheng.	23
Ms Chong Mei Ling Ms Chong Mei Ling Carol is one of the Group's clinic managers and also the wife of a substantial shareholder of the Company, Dr Ho Siew Hong.	56

MATERIAL CONTRACTS

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

CORPORATE GOVERNANCE REPORT

Save for disclosed above, the Company confirms that there were no material contracts entered into between the Company and its subsidiaries, which the Group CEO, any of the Directors or controlling shareholders, has an interest in, either still subsisting at the end of FY2020, or was entered into since the end of the previous financial year.

USE OF PROCEEDS

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

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

Notes:

(1) \$1,000,000 cash consideration was paid on 28 November 2018 in connection with the acquisition of Asian Anaesthesia Care Pte. Ltd., \$5,000,000 cash consideration was paid on 19 February 2020 in connection with the acquisition of Cornerstone Asia Health Pte. Ltd. and \$2,125,000 cash consideration was paid on 21 August 2020 in connection with the investment in an associate, Fansipan 2 Holdings Pte. Ltd. In addition, S\$375,000 was paid on expenses related to the foregoing transactions.

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

Management has confirmed that the above use of proceeds was in line with the Company's planned utilisation of funds.

Pursuant to the aggregated proceeds of \$8.0 million received by the Company from the issuance of convertible bonds, \$4.0 million was paid on 21 August 2020 in connection with the investment in an associate, Fansipan 2 Holdings Pte. Ltd., and the Company had on 22 September 2020 redeemed the remaining \$4.0 million in aggregate principal amount of a convertible bond. For more information, please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor services rendered by the Company's continuing sponsor, RHT Capital Pte. Ltd. to the Group in FY2020.

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 2020.

In our opinion,

- (a) the financial statements of Asian Healthcare Specialists Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 69 to 140 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 2020 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	(Appointed on 19 February 2020)
Yeo Wee Kiong	(Appointed on 3 September 2020)

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/date of appointment	Holdings at end of the year
Chin Pak Lin		
AHS Investments Holdings Pte. Ltd.		
– ordinary shares	2	2
CTS Holdings Pte. Ltd.		
– ordinary shares	1	1

DIRECTORS' STATEMENT

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Chin Pak Lin (Continued)		
Asian Healthcare Specialists Limited		
– deemed interests	243,100,000	243,100,000
Cornerstone Asia Health Pte. Ltd.		
– deemed interests	–	34,862,538
Fansipan 2 Holdings Pte. Ltd.		
– deemed interests	–	8,035,714
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
Fansipan 2 Holdings Pte. Ltd.		
– deemed interests	–	8,035,714
Cheng Ching Li		
Asian Healthcare Specialists Limited		
– ordinary share	27,360,838	27,360,838
Cornerstone Asia Health Pte. Ltd.		
– ordinary share	10,125,772	10,125,772
– deemed interests	34,862,538	34,862,538
Fansipan 2 Holdings Pte. Ltd.		
– deemed interests	–	8,035,714

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 of the financial year, or date of appointment if later, 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 of the financial year, or date of appointment if later, 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 2020 (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.

DIRECTORS' STATEMENT

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 annual general meeting on 23 January 2020, Shareholders had approved 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.

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

On 31 October 2018, the Company completed the issuance.

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 Bond.

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 Bond at the redemption price amount of the convertible bond.

DIRECTORS' STATEMENT

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 Catalyst.

DIRECTORS' STATEMENT

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 2020

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 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 140.

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 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Accounting for acquisition of Cornerstone Asia Health Pte. Ltd. ("CAH")

Refer to Note 3.1 (accounting policy), Note 25 (financial disclosures)

The key audit matter

In February 2020, the Group acquired a 51% interest in CAH for a total consideration of \$25 million, comprising of \$5 million in cash and approximately \$20 million in the Company's ordinary shares.

The acquisition falls under the scope of SFRS(I) 3 *Business Combinations*. There were judgements and estimates used in determining the allocation of the purchase price (PPA) to the fair value of identifiable assets, including intangible assets acquired and liabilities assumed.

Management engaged an external independent valuer to assist them with the PPA exercise for the acquisition of CAH.

How the matter was addressed in our audit

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

We evaluated the appropriateness of the assumptions and judgements made to measure and assess fair value of purchase consideration paid, assets and liabilities assumed on acquisition date;

We involved our valuation specialist to challenge significant assumptions or critical judgements made relating to the allocation of the purchase price and identification of intangible assets and goodwill acquired;

We evaluated the appropriateness of management's analysis of contractual terms, purchase consideration contingent liabilities and the accounting implications; and

We evaluated the completeness, accuracy and relevance of disclosures required by SFRS(I) 3.

INDEPENDENT AUDITORS' REPORT

Goodwill impairment assessment (\$35.1 million)

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

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
The Group has goodwill with a carrying value of \$35.1 million (2019: \$10.1 million) as at 30 September 2020.	We evaluated the competency, capabilities and objectivity of the independent valuer;
The goodwill is impaired when the carrying values of the cash generating units (CGUs) to which the goodwill was allocated, exceed their recoverable amounts.	We involved our valuation specialist to challenge the discount rates used;
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.	We assessed the appropriateness of management's determination of the CGUs;
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.	Our work focused on challenging the key assumptions developed by management which were used in determining the recoverable amount of goodwill.
Management engaged an external independent valuer to assist them with the goodwill impairment assessment arising from the acquisition of CAH.	Our procedures for challenging management's key assumptions included: <ul style="list-style-type: none"> • 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.

INDEPENDENT AUDITORS' REPORT

Other information

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

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

INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Report on other legal and regulatory requirements

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

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

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

14 December 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

		Group		Company	
	Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Non-current assets					
Plant and equipment	4	608	84	147	23
Right-of-use assets	5	1,542	-	107	-
Goodwill	6	35,100	10,144	-	-
Subsidiaries	7	-	-	37,972	12,763
Associate	8	8,048	-	-	-
Deferred tax assets	15	6	-	-	-
Total non-current assets		45,304	10,228	38,226	12,786
Current assets					
Contract assets	18	172	244	-	-
Trade and other receivables	9	3,217	2,160	11,820	5,523
Cash and cash equivalents		9,928	17,023	3,577	12,210
Inventories	10	175	-	-	-
Total current assets		13,492	19,427	15,397	17,733
Total assets		58,796	29,655	53,623	30,519
EQUITY					
Share capital	11	46,431	22,047	46,431	22,047
Reserves	12	(2,084)	(1,876)	357	555
Retained earnings		2,836	3,184	1,309	2,996
Total equity attributable to owners of the Company		47,183	23,355	48,097	25,598
Non-controlling interests	13	711	-	-	-
Total equity		47,894	23,355	48,097	25,598
LIABILITIES					
Non-current liabilities					
Lease liabilities	14	824	-	54	-
Loans and borrowings	15	4,900	4,577	4,900	4,577
Deferred tax liabilities	16	35	11	-	-
Total non-current liabilities		5,759	4,588	4,954	4,577
Current liabilities					
Trade and other payables	17	2,964	1,059	399	335
Current tax payable		1,300	551	17	9
Contract liabilities	18	43	102	-	-
Lease liabilities	14	736	-	56	-
Loans and borrowings	15	100	-	100	-
Total current liabilities		5,143	1,712	572	344
Total liabilities		10,902	6,300	5,526	4,921
Total equity and liabilities		58,796	29,655	53,623	30,519

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 \$'000	2019 \$'000
Revenue	18	16,934	12,205
Other income	19	1,051	293
Items of expense			
Supplies and consumables used		(2,253)	(1,709)
Purchased and contracted services		(276)	(75)
Staff costs		(7,492)	(4,859)
Depreciation		(883)	(35)
Other operating expenses		(2,201)	(2,290)
Impairment loss on trade receivables	26	(42)	-
Finance cost	20	(295)	(163)
Share of profit of associate	8	22	-
Profit before tax		4,565	3,367
Tax expense	21	(552)	(500)
Profit for the year	22	4,013	2,867
Profit attributable to:			
Owners of the Company		2,585	2,867
Non-controlling interests	13	1,428	-
Profit for the year		4,013	2,867
Earnings per share			
Basic and diluted (cents)	23	0.66	0.90

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 SEPTEMBER 2020

	2020 \$'000	2019 \$'000
Profit for the year	4,013	2,867
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Share of foreign currency translation differences of associate	(10)	–
Other comprehensive income for the year, net of tax	(10)	–
Total comprehensive income for the year	4,003	2,867
Total comprehensive income attributable to:		
Owners of the Company	2,575	2,867
Non-controlling interests	1,428	–
Total comprehensive income for the year	4,003	2,867

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 SEPTEMBER 2020

Group	Note	Attributable to owners of the Company					Non-	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000	controlling interests \$'000	
At 1 October 2018		12,715	(2,431)	–	2,924	13,208	–	13,208
Profit for the year		–	–	–	2,867	2,867	–	2,867
Total comprehensive income for the year		–	–	–	2,867	2,867	–	2,867
<i>Contributions by and distributions to owners</i>								
Issuance of new shares pursuant to the acquisition of a subsidiary		9,332	–	–	–	9,332	–	9,332
Recognition of equity component of convertible bond		–	555	–	–	555	–	555
Dividends declared	11	–	–	–	(2,607)	(2,607)	–	(2,607)
Total transactions with owners		9,332	555	–	(2,607)	7,280	–	7,280
At 30 September 2019		22,047	(1,876)	–	3,184	23,355	–	23,355

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 SEPTEMBER 2020

Group	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Other reserves	Translation reserve	Retained earnings	Total		
		\$'000	\$'000	\$'000	\$'000	\$'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
Contributions by and distributions to owners								
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 combined financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Profit before tax		4,565	3,367
Adjustments for:			
Finance cost		295	163
Gain on termination of lease		(1)	-
Amortisation of transaction costs capitalised in relation to issuance of convertible bond		13	14
Depreciation of plant and equipment	4	115	35
Depreciation of right-of-use assets	5	768	-
Issuance of new shares pursuant to performance share plan		175	-
Share of profit of associate	8	(22)	-
Interest income		(79)	(188)
		5,829	3,391
Changes in:			
- trade and other receivables		179	(515)
- trade and other payables		(182)	121
- contract assets		100	(170)
- contract liabilities		(75)	102
- inventories		14	-
		5,865	2,929
Cash generated from operations			
Interest received		84	195
Tax paid		(771)	(502)
		5,178	2,622
Net cash generated from operating activities			
Cash flows from investing activities			
Purchase of plant and equipment	4	(384)	(76)
Payment for acquisition of subsidiary, net of cash acquired		(4,092)	(892)
Investment in an associate	8	(8,036)	-
		(12,512)	(968)
Net cash used in investing activities			
Cash flows from financing activities			
Payment of lease liabilities	15	(745)	-
Dividends paid to owners of the Company		(2,933)	(2,607)
Proceeds from issuance of convertible bond	15	3,000	5,000
Payment of transaction costs related to convertible bond issuance	15	-	(45)
Interest paid	15	(83)	-
Proceeds from bank loan	15	5,000	-
Redemption of convertible bond	15	(4,000)	-
		239	2,348
Net cash generated from financing activities			
Net (decrease)/increase in cash and cash equivalents		(7,095)	4,002
Cash and cash equivalents at 1 October		17,023	13,021
Cash and cash equivalents at 30 September		9,928	17,023

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

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 2020.

1 DOMICILE AND ACTIVITIES

1.1 The Company

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

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

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

The financial statements of the Group as at and for the year ended 30 September 2020 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 the Singapore Financial Reporting Standards (International) (SFRS(I)).

This is the first set of the Group's annual financial statements in which SFRS(I) 16 *Leases* has been applied. The related 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 25 – acquisition of subsidiary: determination of the fair value of identifiable assets, including intangible assets acquired and liabilities assumed.

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

Note 6 – impairment test of goodwill: key assumptions underlying recoverable amounts;

Note 25 – acquisition of subsidiary: determination of the fair value of identifiable assets, including intangible assets acquired and liabilities assumed; and

Note 26 – measurement of expected credit loss (“ECL”) allowance for trade receivables and contract assets: key assumptions in determining weighted-average loss rate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values

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

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

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

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

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

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

- Note 25 – acquisition of subsidiary

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

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) for the first time for the annual period beginning on 1 October 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)

Other than SFRS(I) 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

(i) SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

New standards and amendments (Continued)

(i) SFRS(I) 16 *Leases* (Continued)

As a lessee

As a lessee, the Group leases many assets including clinics and offices. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

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 price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 October 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

New standards and amendments (Continued)

(i) SFRS(I) 16 *Leases* (Continued)

Impact on financial statements

*Impact on transition**

On transition to SFRS(I) 16, the Group and the Company recognised additional right-of-use assets, and additional lease liabilities. The impact on transition is summarised below.

	Group 1 October 2019 \$'000	Company 1 October 2019 \$'000
Right-of-use assets	1,494	163
Lease liabilities	1,494	163

* For the impact of SFRS(I) 16 on profit or loss for the period, see Note 14. For the impact of SFRS(I) 16 on segment information, see Note 24. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see Note 3.6.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 October 2019. The weighted-average rate applied is 5%.

	Group 1 October 2019 \$'000	Company 1 October 2019 \$'000
Operating lease commitments at 30 September 2019 as disclosed under SFRS(I) 1-17 in the Group's financial statements	1,413	178
Discounted using the incremental borrowing rate at 1 October 2019	1,269	163
– Extension options reasonably certain to be exercised	225	–
Lease liabilities recognised at 1 October 2019	1,494	163

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continued)

New standards and amendments (Continued)

(ii) COVID-19 Related Rent Concessions

The Group has early adopted COVID-19- Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 October 2019.

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; plus

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(iii) Acquisitions from entities under common control

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

(iv) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Plant and equipment (Continued)

(iii) Depreciation (Continued)

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

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

Furniture, fittings and office equipment	3 years
Medical equipment	3 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 that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1 (i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. 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 FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

- 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

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

(vi) Share capital

Ordinary shares

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

Issue expenses

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(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 relates 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

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 October 2019

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

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 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

As a lessee (Continued)

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.

Leases – Policy applicable before 1 October 2019

For contracts entered into before 1 October 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

Leases – Policy applicable before 1 October 2019 (Continued)

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

General approach

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

(ii) Non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Employee benefits (Continued)

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 cost

The Group's finance cost includes 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 is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in 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 FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Taxes (Continued)

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2019 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.

- *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)
- *SFRS(I) 17 Insurance Contracts*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 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 2018		17	5	302	106	430
Additions		1	7	61	7	76
Additions pursuant to the acquisition of a subsidiary	25	–	19	–	–	19
Write-off		–	–	(15)	–	(15)
At 30 September 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
Accumulated depreciation						
At 1 October 2018		12	5	299	90	406
Depreciation for the year		1	7	15	12	35
Write-off		–	–	(15)	–	(15)
At 30 September 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
Carrying amounts						
At 1 October 2018		5	–	3	16	24
At 30 September 2019		5	19	49	11	84
At 30 September 2020		15	420	145	28	608

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

4 PLANT AND EQUIPMENT (CONTINUED)

	Medical equipment \$'000	Renovations \$'000	Computers \$'000	Total \$'000
Company Cost				
At 1 October 2018	–	–	–	–
Additions	–	23	–	23
At 30 September 2019	–	23	–	23
Additions	129	2	2	133
At 30 September 2020	129	25	2	156
Accumulated depreciation				
At 1 October 2018	–	–	–	–
Depreciation for the year	–	–*	–	–*
At 30 September 2019	–	–*	–	–*
Depreciation for the year	–	9	–*	9
At 30 September 2020	–	9	–*	9
Carrying amounts				
At 1 October 2018	–	–	–	–
At 30 September 2019	–	23	–	23
At 30 September 2020	129	16	2	147

* Less than 1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

5 RIGHT-OF-USE ASSETS

	Leased offices and clinics \$'000
Group	
Cost	
At 1 October 2019	–
Recognition of right-of-use asset 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	757
Additions	185
Derecognition of right-of-use assets	(173)
At 30 September 2020	2,263
Accumulated depreciation	
At 1 October 2019	–
Depreciation for the year	768
Derecognition of right-of-use assets	(47)
At 30 September 2020	721
Carrying amounts	
At 1 October 2019	–
At 30 September 2020	1,542
	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	163
Accumulated depreciation	
At 1 October 2019	–
Depreciation for the year	56
At 30 September 2020	56
Carrying amounts	
At 1 October 2019	–
At 30 September 2020	107

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

6 GOODWILL

	Note	Goodwill \$'000
Group		
Cost		
At 1 October 2018		-
Acquisition pursuant to the acquisition of a subsidiary	25	10,144
At 30 September 2019		10,144
Acquisition pursuant to the acquisition of a subsidiary	25	24,956
At 30 September 2020		35,100
Accumulated impairment losses		
At 1 October 2018/30 September 2019		-
Impairment		-
At 30 September 2020		-
Carrying amounts		
At 1 October 2018		-
At 30 September 2019		10,144
At 30 September 2020		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:

	2020 \$'000	2019 \$'000
Group		
Asian Anaesthesia Care Pte. Ltd. ("AAC")	10,144	10,144
Gastroenterology ("GASTRO")	4,557	-
General Practitioner ("FAMILY")	2,559	-
Urology ("URO")	3,822	-
Dermatology ("DERM")	5,372	-
Ophthalmology and Optometry ("OPHTHA")	8,646	-
	35,100	10,144

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

6 GOODWILL (CONTINUED)

Impairment testing for CGUs containing goodwill (Continued)

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.

	Discount rate	Terminal value growth rate	Revenue growth rate
	%	%	%
30 September 2020			
AAC	9.5	1.5	0 – 1.5
GASTRO	9.7	1.2	2.0
FAMILY	9.7	1.2	2.0
URO	9.7	1.2	2.0
DERM	9.7	1.2	2.0
OPHA	9.7	1.2	2.0
30 September 2019			
AAC	8.3	2.0	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 average growth levels experienced over the past two years 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

6 GOODWILL (CONTINUED)

Impairment testing for CGUs containing goodwill (Continued)

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	
	Discount rate	Terminal value growth rate
	%	%
30 September 2020		
AAC	0.8	(1.1)
GASTRO	2.9	(4.3)
FAMILY	1.3	(1.8)
URO	4.0	(6.2)
DERM	1.1	(1.8)
OPHA	0.8	(1.1)
30 September 2019		
AAC	1.5	(2.0)

7 SUBSIDIARIES

	Company	
	2020 \$'000	2019 \$'000
Equity investments at cost	37,972	12,763

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

7 SUBSIDIARIES (CONTINUED)

As at 30 September 2019 and 2020, the subsidiaries of the Group are as follows:

Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2020 %	2019 %
<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. (note 25)	Singapore	Provision of anaesthesia services	100	100
Cornerstone Asia Health Pte. Ltd. (note 25)	Singapore	Investment holding and management consultancy services	51	–
Family ENT Snoring Specialists Pte. Ltd.	Singapore	Provision of otorhinolaryngology services	100	–
Salvia Ventures Pte. Ltd.	Singapore	Investment holding and management consultancy services	100	–
<i>Held by TOCH</i>				
The Orthopaedic Centre (Farrer) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Gleneagles) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Novena) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (Orchard) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100
The Orthopaedic Centre (International) Pte. Ltd.	Singapore	Provision of orthopaedic services	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

7 SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Countries of incorporation	Principal activities	Effective ownership interest	
			2020 %	2019 %
<i>Held by CAH</i>				
Ng Tay Meng Gastrointestinal and Liver Clinic Pte. Ltd. (note 25)	Singapore	Provision of gastroenterology services	51	–
Ng Tay Meng G.I. HEP. Services Pte. Ltd. (note 25)	Singapore	Provision of gastroenterology services	51	–
GS Medic Pte. Ltd. (note 25)	Singapore	Provision of general practitioner services	51	–
Urology Novena Pte. Ltd. (note 25)	Singapore	Provision of urology services	51	–
URO Centre Pte. Ltd. (note 25)	Singapore	Provision of urology services	51	–
Urology Surgery Pte. Ltd. (note 25)	Singapore	Provision of urology services	51	–
Skin Consultancy Pte. Ltd. (note 25)	Singapore	Provision of dermatology services	51	–
Bobcheng Pte. Ltd. (note 25)	Singapore	Provision of ophthalmology and optometry consultancy services	51	–
RSI Medical Pte. Ltd. (note 25)	Singapore	Provision of ophthalmology and optometry services	51	–

8 ASSOCIATE

	Group	
	2020 \$'000	2019 \$'000
Interest in associate	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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

8 ASSOCIATE (CONTINUED)

The Group does not have any material associate. The following table summarises the carrying amount and share of profit and other comprehensive income of these associates that are accounted for using the equity method:

	2020 \$'000
Group's interest in net assets of investee during the year	8,036
Group's share of:	
– profit after tax	22
– OCI	(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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade				
Trade receivables	2,623	2,053	487	426
Less: Impairment losses	(230)	(217)	–	–
	2,393	1,836	487	426
Amounts due from subsidiaries (non-trade)	–	–	11,155	5,075
Other receivables	374	5	155	5
Deposits	253	176	16	17
Prepayments	197	143	7	–
	3,217	2,160	11,820	5,523

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 \$1,001,000 (2019: \$2,397,000).

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

10 INVENTORIES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At cost				
Pharmacy supplies	<u>175</u>	<u>–</u>	<u>–</u>	<u>–</u>

Pharmacy supplies recognised as “supplies and consumables used” in statement of profit or loss amounted to \$899,000 (2019: \$nil).

There was no write-down in value of inventories during the current financial year and prior financial year.

11 SHARE CAPITAL

	Ordinary shares	
	2020	2019
	No. of shares	
Company	'000	'000
In issue at 1 October	325,893	290,000
New shares issued pursuant to acquisition of a subsidiary ⁽¹⁾	104,171	35,893
New shares issued pursuant to performance share plan ⁽²⁾	900	–
New shares issued pursuant to conversion of convertible bonds ⁽³⁾	24,969	–
In issue at 30 September	<u>455,933</u>	<u>325,893</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

11 SHARE CAPITAL (CONTINUED)

Ordinary shares

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

Issuance of ordinary shares

- ⁽¹⁾ On 28 November 2018, a total of 35,892,857 ordinary shares were issued pursuant to the acquisition of the entire issued and paid up shares in the share capital of AAC. 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.

Dividends

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

For the year ended 30 September

	2020 \$'000	2019 \$'000
Paid by the Company to owners of the Company		
Final dividend of \$0.004 per ordinary share for the financial year ended 30 September 2018 declared on 28 January 2019	–	1,304
Interim dividend of \$0.004 per ordinary share for financial year ended 30 September 2019 declared on 9 May 2019	–	1,303
Final dividend of \$0.009 per ordinary share for financial year ended 30 September 2019 declared on 23 January 2020	2,933	–
	2,933	2,607
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	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

11 SHARE CAPITAL (CONTINUED)

Dividends (Continued)

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	
	2020	2019
	\$'000	\$'000
Final dividend of \$0.0015 (2019: \$0.009) per ordinary share for the financial year ended	684	2,933

12 RESERVES

The reserves of the Group and the Company comprise the following balances:

	Note	Group		Company	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Other reserves					
– Merger reserve		(2,431)	(2,431)	–	–
– Equity component of convertible bond	15	357	555	357	555
		(2,074)	(1,876)	357	555
Translation reserve		(10)	–	–	–
		(2,084)	(1,876)	357	555

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.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

13 NON-CONTROLLING INTERESTS

On 19 February 2020, the Group acquired 51% issued and paid up shares in the share capital of CAH. 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	
			2020	2019
			%	%
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). The financial information disclosed at 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 year	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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

14 LEASE LIABILITIES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current	824	–	54	–
Current	736	–	56	–
	1,560	–	110	–

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follow:

	Currency	Nominal interest rate	Year of maturity	2020		2019	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Lease liabilities	SGD	1.1% – 5%	2020-2024	1,650	1,560	–	–
Company							
Lease liabilities	SGD	5%	2022	115	110	–	–

Leases as lessee (SFRS(I) 16)

The Group leases offices and clinics. 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 Company has applied practical expedient for COVID-19-related concessions is \$230,000.

Previously, these leases were classified as operating leases under SFRS(I) 1-17.

Information about leases for which the Group is a lessee is presented below.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

14 LEASE LIABILITIES (CONTINUED)

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use assets (see Note 5.)

Group	Leased offices and clinics \$'000
2020	
Balance at 1 October	1,494
Additions pursuant to the acquisition of a subsidiary	757
Depreciation charge for the year	(768)
Additions to right-of-use assets	185
Derecognition of right-of-use assets	(126)
Balance at 30 September	1,542

Company	Leased office \$'000
2020	
Balance at 1 October	163
Depreciation charge for the year	(56)
Balance at 30 September	107

Amounts recognised in profit or loss

	\$'000
2020 – Leases under SFRS(I) 16	
Interest on lease liabilities	74
2019 – Operating leases under SFRS(I) 1-17	
Lease expense	457

Amounts recognised in statement of cash flows

	2020 \$'000
Total cash outflow for leases	819

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

14 LEASE LIABILITIES (CONTINUED)

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 \$1,636,000.

15 LOANS AND BORROWINGS

	Group and Company	
	2020	2019
	\$'000	\$'000
Non-current liabilities		
– Convertible bond	–	4,577
– Unsecured bank loan	4,900	–
	4,900	4,577
Current liability		
– Unsecured bank loan	100	–
	5,000	4,577

Terms and debt repayment schedule

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

				2020		2019	
	Currency	Nominal interest rate	Year of maturity	Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group and Company							
Convertible bond	SGD	4%	2021	–	–	5,000	4,577
Unsecured bank loan	SGD	2%	2025	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 calculated in note 26.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

15 LOANS AND BORROWINGS (CONTINUED)

Convertible bond

\$5,000,000 of convertible bond was issued on 31 October 2018 to Vanda 1 Investments Pte. Ltd.. They are convertible in all or part (in whole or in single denominations of \$1,000,000) at \$0.25 per conversion share at the option of the holder, at any time until the date falling three (3) years of the convertible bond issue date ("**Conversion Period**"). Any unconverted convertible bond after the Conversion Period, shall become repayable within seven (7) business days.

Grant of non-listed share option was issued to be exercised in whole or in part, carrying the right to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of \$5,000,000 at the exercise price of \$0.325 per share.

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 Bond.

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 Bond at the redemption price amount of the convertible bond.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

15 LOANS AND BORROWINGS (CONTINUED)

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

Group	Lease liabilities* \$'000	Unsecured bank loan \$'000	Convertible bonds \$'000	Total \$'000
Balance as at 1 October 2018	–	–	–	–
Changes from financing cash flows				
Proceeds from issue of convertible bond	–	–	5,000	5,000
Payment of transaction costs related to loans and borrowings	–	–	(45)	(45)
Total changes from financing cash flows	–	–	4,955	4,955
Other changes				
Liability-related				
Amortisation of transaction costs related to loans and borrowings	–	–	14	14
Interest expense	–	–	163	163
Total liability-related other changes	–	–	177	177
Total equity-related changes	–	–	(555)	(555)
Balance as at 30 September 2019	–	–	4,577	4,577
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 issue of convertible bond	–	–	3,000	3,000
Redemption of convertible bond	–	–	(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
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

* See note 2.5

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

16 DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Plant and equipment	-	-	(35)	(11)	(35)	(11)
Trade and other payables	6	-	-	-	6	-
Tax liabilities	6	-	(35)	(11)	(29)	(11)

Movement in temporary differences during the year

	At 1/10/2018 \$'000	Recognised in profit or loss \$'000 (Note 21)	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
Plant and equipment	(11)	-	(11)	(34)	10	(35)
Trade and other payables	-	-	-	1	5	6
	(11)	-	(11)	(33)	15	(29)

Unrecognised deferred tax assets

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deductible temporary differences	-*	-	-	-
Tax losses	28	-	-	-
	28	-	-	-

* Less than 1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	949	416	177	56
Other payables	1,020	-	-	-
Amounts due to related parties (trade)	21	9	-	-
Accrued expenses	816	634	200	279
Deferred income – government grants	158	-	22	-
	2,964	1,059	399	335

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 \$513,000 and \$230,000 respectively.

18 REVENUE

	Group	
	2020 \$'000	2019 \$'000
Medical consultancy and services	16,934	12,205

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. Provision of medical consultancy and services are due upon completion of services.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

18 REVENUE (CONTINUED)

Contract balances

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

	Note	2020 \$'000	2019 \$'000
Trade receivables	9	2,393	1,836
Contract assets		172	244
Contract liabilities		(43)	(102)

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

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

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

	Contract assets		Contract liabilities	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Increases in contract liabilities due to cash received, excluding amounts recognised as revenue during the year	-	-	(43)	(102)
Revenue recognised that was included in the contract liability at the beginning of the year	-	-	102	-
Contract asset reclassified to trade receivables	244	74	-	-

19 OTHER INCOME

	Group	
	2020 \$'000	2019 \$'000
Government grants and other reliefs	950	105
Others	101	188
	1,051	293

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

20 FINANCE COSTS

	Group	
	2020 \$'000	2019 \$'000
Interest on lease liabilities	74	–
Interest on unsecured bank loan	9	–
Interest on convertible bonds	212	163
	295	163

21 TAX EXPENSE

	Group	
	2020 \$'000	2019 \$'000
Current tax expense		
Current year	647	519
Over provision of prior year	(80)	(19)
	567	500
Deferred tax expense		
Origination and reversal of temporary differences	(14)	–
Change in unrecognised deductible temporary differences	(1)	–
	(15)	–
Total tax expense	552	–
<i>Reconciliation of tax expense</i>		
Profit before tax	4,565	3,367
Tax calculated using tax rate of 17% (2019: 17%)	776	572
Non-deductible expenses	111	69
Tax exempt income	(260)	(105)
Tax incentives	–	(1)
Recognition of tax effect of previously unrecognised tax losses	–	(18)
Current year losses for which no deferred tax assets was recognised	5	–
Over-provision in respect of prior year's current tax	(80)	(19)
Change in unrecognised deductible temporary differences	(1)	–
Others	1	2
	552	500

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

22 PROFIT FOR THE YEAR

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

		Group	
	Note	2020 \$'000	2019 \$'000
Audit fees paid to:			
– auditors of the Company		189	135
Non-audit fees paid to:			
– other auditors		70	103
Government grants and other reliefs		(950)	(105)
Interest income		(79)	(188)
Contribution to defined contribution plan included in staff costs		410	251
Equity-settled shared-based payment transactions		175	–
Depreciation of plant and equipment	4	115	35
Depreciation of right-of-use assets	5	768	–
Expenses for corporate exercise		365	230
Impairment loss:			
– Trade receivables	26	42	–
Operating lease expenses		–	457

23 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 30 September 2020 and 2019 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	
	2020 \$'000	2019 \$'000
Profit for the year	2,585	2,867

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

23 EARNINGS PER SHARE (CONTINUED)

Weighted-average number of ordinary shares

	Group	
	Number of shares	
	2020	2019
	'000	'000
Issued ordinary shares on 1 October	325,893	290,000
Effect of shares issued on 28 November 2018	–	30,091
Effect of shares issued on 19 February 2020	64,482	–
Effect of shares issued on 3 September 2020	1,847	–
At 30 September	392,222	320,091

There were no potential dilutive ordinary shares for the years ended 30 September 2020 and 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

24 OPERATING SEGMENTS (CONTINUED)

Information about reportable segments

Group	Orthopaedic		Anaesthesia		ENT		Other medical services		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
External revenue	8,732	11,124	1,466	1,081	-	-	6,736	-	16,934	12,205
Interest expense	54	-	-	-	-	-	13	-	67	-
Depreciation	487	29	7	6	8	-	316	-	818	35
Segment profit/(loss) before tax	1,749	3,706	868	746	(28)	-	3,341	-	5,930	4,452
Unallocated amounts										
Corporate expenses									(1,387)	(1,085)
Share of profit of associate									22	-
Profit before tax									4,565	3,367
Tax expense									(552)	(500)
Profit for the year									4,013	2,867
Reportable segment assets	4,573	6,524	762	732	490	-	5,810	-	11,635	7,256
Associate	-	-	-	-	-	-	-	-	8,048	-
Reportable segment liabilities	3,539	5,936	256	392	519	-	3,350	-	7,664	6,328

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

24 OPERATING SEGMENTS (CONTINUED)

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

	2020 \$'000	2019 \$'000
Revenues		
Total revenue for reportable segments	16,934	12,205
Profit before tax		
Total profit or loss before tax for reportable segments	5,930	4,452
Unallocated amounts:		
– Corporate expenses	(1,387)	(1,085)
– Share of profit of associate	22	–
Consolidated profit before tax	4,565	3,367
Assets		
Total assets for reportable segments	11,635	7,256
Investment in associate	8,048	–
Unallocated assets	53,623	30,519
Elimination of inter-segment assets	(14,516)	(8,120)
Deferred tax assets	6	–
Consolidated total assets	58,796	29,655
Liabilities		
Total liabilities for reportable segments	7,664	6,328
Unallocated liabilities	13,545	4,912
Elimination of inter-segment liabilities	(11,642)	(5,502)
Current tax liabilities	1,300	551
Deferred tax liabilities	35	11
Consolidated total liabilities	10,902	6,300

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

25 ACQUISITIONS OF SUBSIDIARY

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 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 of subsidiary in 2019

On 28 November 2018, the Group acquired 100% of issued and paid up shares in the share capital of AAC.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

25 ACQUISITIONS OF SUBSIDIARY (CONTINUED)

Consideration transferred

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

	Note	\$'000
Cash		1,000
Equity instruments issued (35,892,857 ordinary shares)	11	9,332
Total consideration transferred		10,332

Equity instruments issued

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

(a) Acquisition-related costs

The Group incurred acquisition-related costs of \$308,000 (2019: \$95,000) on professional fees, stamp duty and processing fees. These costs have been included in 'Other operating expenses'.

(b) Identifiable assets acquired and liabilities assumed

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

	Note	2020 CAH \$'000	2019 AAC \$'000
Plant and equipment	4	255	19
Right-of-use assets	5	757	–
Deferred tax assets	16	1	–
Cash and cash equivalents		908	108
Contract assets		28	–
Trade and other receivables		1,241	125
Inventories		189	–
Lease liabilities		(754)	–
Deferred tax liabilities	16	(34)	–
Current tax liabilities		(952)	(34)
Contract liabilities		(16)	–
Trade and other payables		(1,126)	(30)
Total identifiable net assets		497	188

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

25 ACQUISITIONS OF SUBSIDIARY (CONTINUED)

(c) Measurement of fair values

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

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

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	2020 \$'000	2019 \$'000
Total consideration transferred		25,209	10,332
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)	(188)
Goodwill	6	<u>24,956</u>	<u>10,144</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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets

Risk management policy

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

Exposure to credit risk, credit quality and collateral

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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets (Continued)

Expected credit loss assessment for trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 30 September 2020:

	Weighted average loss rate %	Gross \$'000	Impairment 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
2019			
Not past due	–	244	–
Past due 1 – 60 days	2.1	1,230	26
Past due 61 – 120 days	7.8	294	23
Past due 121 – 365 days	17.7	334	59
Past due more than 365 days	55.9	195	109
		2,297	217

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets (Continued)

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

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

	2020 \$'000	2019 \$'000
At 1 October	(217)	(217)
Additions pursuant to acquisition of subsidiary	(39)	–
Impairment loss recognised	(42)	–
Written off	68	–
At 30 September	(230)	(217)

Other receivables

Group

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

Company

Amounts due from subsidiaries

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

Cash and cash equivalent

The Company held cash and cash equivalent of \$9,928,000 at 30 September 2020 (2019: \$17,023,000). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA-, based on S&P's ratings as at 30 September 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

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 year based on undiscounted contractual payments:

	Note	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000
Group					
30 September 2020					
Non-derivative financial liabilities					
Trade and other payables	17	2,964	(2,964)	(2,964)	-
Contract liabilities		43	(43)	(43)	-
Unsecured bank loan	15	5,000	(5,298)	(200)	(5,098)
Lease liabilities	14	1,560	(1,650)	(785)	(865)
		<u>9,567</u>	<u>(9,995)</u>	<u>(3,992)</u>	<u>(5,963)</u>
30 September 2019					
Non-derivative financial liabilities					
Trade and other payables	17	1,059	(1,059)	(1,059)	-
Contract liabilities		102	(102)	(102)	-
Convertible bond	15	4,577	(5,000)	-	(5,000)
		<u>5,738</u>	<u>(6,161)</u>	<u>(1,161)</u>	<u>(5,000)</u>
Company					
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	13	110	(115)	(60)	(55)
		<u>5,509</u>	<u>(5,812)</u>	<u>(659)</u>	<u>(5,153)</u>
30 September 2019					
Non-derivative financial liabilities					
Trade and other payables	17	335	(335)	(335)	-
Convertible bond	15	4,577	(5,000)	-	(5,000)
		<u>4,912</u>	<u>(5,335)</u>	<u>(335)</u>	<u>(5,000)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

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 2020			
Financial assets not measured at fair value			
Trade and other receivables*	3,020	-	3,020
Contract assets	172	-	172
Cash and cash equivalents	9,928	-	9,928
	13,120	-	13,120
Financial liabilities not measured at fair value			
Trade and other payables	-	(2,964)	(2,964)
Contract liabilities	-	(43)	(43)
Unsecured bank loan	-	(5,000)	(5,000)
	-	(8,007)	(8,007)
30 September 2019			
Financial assets not measured at fair value			
Trade and other receivables*	2,017	-	2,017
Contract assets	244	-	244
Cash and cash equivalents	17,023	-	17,023
	19,284	-	19,284
Financial liabilities not measured at fair value			
Trade and other payables	-	(1,059)	(1,059)
Contract liabilities	-	(102)	(102)
Convertible bond	-	(4,577)	(4,577)
	-	(5,738)	(5,738)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

26 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Categories of financial instruments (Continued)

	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Company			
30 September 2020			
Financial assets not measured at fair value			
Trade and other receivables*	11,813	-	11,813
Cash and cash equivalents	3,577	-	3,577
	15,390	-	15,390
Financial liabilities not measured at fair value			
Trade and other payables	-	(399)	(399)
Unsecured bank loan	-	(5,000)	(5,000)
	-	(5,399)	(5,399)
30 September 2019			
Financial assets not measured at fair value			
Trade and other receivables*	5,523	-	5,523
Cash and cash equivalents	12,210	-	12,210
	17,733	-	17,733
Financial liabilities not measured at fair value			
Trade and other payables	-	(335)	(335)
Convertible bond	-	(4,577)	(4,577)
	-	(4,912)	(4,912)

* 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. Further, for the current year the fair value disclosure of lease liabilities is also not required.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

27 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2020 \$'000	2019 \$'000
Within one year	-	523
Between one and five years	-	890
	-	1,413

28 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.

29 RELATED PARTIES

Identity of related parties

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

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

Transactions with key management personnel

Key management personnel and director transactions

Key management personnel compensation comprised:

	Group	
	2020 \$'000	2019 \$'000
Short-term employee benefits (including director fees)	3,888	2,905
Post-employment benefits (including CPF)	139	108
Equity-settled shared-based payment transactions	155	-
	4,182	3,013

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

29 RELATED PARTIES (CONTINUED)

Transactions with key management personnel (Continued)

Key management personnel and director transactions (Continued)

Directors of the Company control 57.7% 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 the year ended 30 September		Balance outstanding as at 30 September	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Rental of premises	<u>153</u>	<u>96</u>	<u>21</u>	<u>9</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2020

29 RELATED PARTIES (CONTINUED)

Other related party transactions

	Transaction value for the year ended 30 September		Balance outstanding as at 30 September	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Group				
Short-term employee benefits paid to affiliated parties	68	–	–	–
Post-employment benefits (including CPF) paid to affiliated parties	11	–	–	–
Company				
Management fees charged to subsidiaries	1,807	1,147	487	426

SHAREHOLDERS' INFORMATION

AS AT 16 DECEMBER 2020

Class of shares	:	Ordinary shares
Authorised share capital	:	S\$54,352,558.8376
Issued and fully paid-up capital	:	S\$54,352,558.8376
Number of shares issued	:	455,933,025
Voting rights	:	One vote per share

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

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 16 DECEMBER 2020

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	4	0.40	226	0.00
100 – 1,000	48	4.79	31,539	0.01
1,001 – 10,000	335	33.47	2,439,800	0.53
10,001 – 1,000,000	599	59.84	48,321,520	10.60
1,000,001 and above	15	1.50	405,139,940	88.86
	1,001	100.00	455,933,025	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 16 DECEMBER 2020

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
AHS Investments Holdings Pte. Ltd. ⁽¹⁾	235,807,000	51.72	7,293,000	1.60
Chin Pak Lin ⁽²⁾	–	–	243,100,000	53.32
Yue Wai Mun ⁽²⁾	–	–	243,100,000	53.32
Su Hsien Ching David ⁽²⁾	–	–	243,100,000	53.32
Tan Chyn Hong ⁽²⁾	–	–	243,100,000	53.32
Lim Tet Chen Roy	35,922,857	7.88	–	–
Cheng Ching Li	27,360,838	6.00	–	–
Ho Siew Hong	23,077,798	5.06	–	–
Temasek Holdings (Private) Limited ⁽³⁾	–	–	24,968,788	5.48
Fullerton Fund Investments Pte Ltd ⁽³⁾	–	–	24,968,788	5.48
Seletar Fund Investments Pte Ltd ⁽³⁾	–	–	24,968,788	5.48
Heliconia Capital Management Pte. Ltd. ⁽⁴⁾	–	–	24,968,788	5.48
Heliconia Holdings Pte. Ltd. ⁽⁴⁾	–	–	24,968,788	5.48

Notes:

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

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

SHAREHOLDERS' INFORMATION

AS AT 16 DECEMBER 2020

⁽³⁾ Temasek Holdings (Private) Limited ("**Temasek**"), Fullerton Fund Investments Pte Ltd ("**FFI**") and Seletar Fund Investments Pte Ltd ("**Seletar**") do not have any direct interests in the voting Shares of the Company. Temasek, FFI and Seletar's deemed interests in Shares arise through Heliconia Capital Management Pte Ltd ("**Heliconia Capital**"), which is wholly owned by Heliconia Holdings Pte. Ltd. ("**Heliconia Holdings**"). Heliconia Capital and Heliconia Holdings are independently-managed Temasek portfolio companies. Temasek, FFI and Seletar are not involved in their business or operating decisions, including those regarding their positions in Shares. Temasek, FFI and Seletar are deemed interested in Shares through Heliconia Capital and Heliconia Holdings as follows:

- (i) Vanda 1 Investments Pte. Ltd. ("**Vanda 1**") holds 1.369% of Shares.
- (ii) Encyclia 1 Investments Pte. Ltd. ("**Encyclia 1**") holds 4.107% of Shares.
- (iii) Heliconia Capital has an interest in 5.476% of Shares held in aggregate by Vanda 1 and Encyclia 1 pursuant to Section 4 of the Securities and Futures Act by virtue of its authority to dispose of, or exercise control over the disposal of the Shares held by Vanda 1 and Encyclia 1.
- (iv) Heliconia Capital is a wholly owned subsidiary of Heliconia Holdings.
- (v) Heliconia Holdings is a wholly owned subsidiary of Seletar.

⁽⁴⁾ Heliconia Holdings is the immediate holding company of Heliconia Capital. Each of Heliconia Holdings and Heliconia Capital is deemed interested in the aggregate of 24,968,788 Shares held by Vanda 1 and Encyclia 1 under Section 4 of the SFA.

TWENTY LARGEST SHAREHOLDERS AS AT 16 DECEMBER 2020

No.	Name of Shareholders	Number of Shares	%
1.	AHS INVESTMENTS HOLDINGS PTE LTD	235,807,000	51.72
2.	LIM TET CHEN ROY	35,922,857	7.88
3.	CHENG CHING LI	27,360,838	6.00
4.	HO SIEW HONG	23,077,798	5.06
5.	ENCYCLIA 1 INVESTMENTS PTE LTD	18,726,591	4.11
6.	KHOO SHIH WEE @ LAWRENCE KHOO	17,644,237	3.87
7.	NG TAY MENG	15,195,870	3.33
8.	SEAH SHENG HEANG GEOFFRY	7,633,452	1.67
9.	LIM CHEOK PENG	7,293,000	1.60
10.	VANDA 1 INVESTMENTS PTE LTD	6,242,197	1.37
11.	CITIBANK NOMINEES SINGAPORE PTE LTD	2,911,400	0.64
12.	YAP CHOON CHWEE	2,550,000	0.56
13.	DBS NOMINEES (PRIVATE) LIMITED	1,976,200	0.43
14.	OCBC SECURITIES PRIVATE LIMITED	1,598,500	0.35
15.	CHUA SUAN KEOW	1,200,000	0.26
16.	RAFFLES NOMINEES (PTE.) LIMITED	997,877	0.22
17.	IFAST FINANCIAL PTE LTD	969,800	0.21
18.	SEAH CHENG GUAN	957,000	0.21
19.	PHILLIP SECURITIES PTE LTD	925,900	0.20
20.	NG KIAN PENG ALBERT (HUANG JIANPING ALBERT)	834,616	0.18

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

On the basis of information available to the Company as at 16 December 2020, approximately 13.39% of the issued ordinary shares of the Company was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dr Chin Pak Lin, Mr Leow Chung Chong Yam Soon, Dr Cheng Ching Li and Mr Yeo Wee Kiong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Thursday, 28 January 2021 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

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

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
Date of appointment	27 September 2017	28 March 2018	19 February 2020	3 September 2020
Date of last re-appointment	28 January 2019	28 January 2019	N/A	N/A
Age	47	49	51	65
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr Chin as Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Chin's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Leow as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Leow's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Dr Cheng as Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Cheng's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Yeo as Non-Executive and Non-Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Yeo's qualifications, expertise and past experiences since he was appointed as a Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Executive As Executive Director and Chief Executive Officer, Dr Chin is responsible for managing the Group and making decisions at the Group level in relation to the operations and business direction of the Group.	Non-Executive and Independent	Executive As Executive Director, Dr Cheng is responsible for assisting Dr Chin in relation to the operations and the business operations of the enlarged Group.	Non-Executive and Non-Independent

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Executive Director Chief Executive Officer 	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of the Board of Directors and Audit and Risk Management Committee Member of Nominating and Remuneration Committees 	<ul style="list-style-type: none"> Executive Director 	<ul style="list-style-type: none"> Non-Executive and Non-Independent
Professional qualifications	<ul style="list-style-type: none"> Bachelor of Medicine, National University of Singapore Bachelor of Surgery, National University of Singapore Masters of Medicine in Orthopaedic Surgery, Graduate School of Medical Studies, National University of Singapore Fellow of the Royal College of Surgeons of Edinburgh, United Kingdom 	<ul style="list-style-type: none"> Practising member, Institute of Singapore Chartered Accountants (ISCA) Fellow Chartered Association of Certified Accountants, United Kingdom Certified Public Accountants, United States of America 	<ul style="list-style-type: none"> Bachelor of Medicine, National University of Singapore Bachelor of Surgery, National University of Singapore Fellow of the Royal College of Surgeons of Edinburgh, United Kingdom Masters of Medicine in Ophthalmology Surgery, Graduate School of Medical Studies, National University of Singapore Fellow Academy of Medicine, Singapore 	<ul style="list-style-type: none"> Mechanical Engineering (1st class), National University of Singapore Master of Business Administration, National University of Singapore Bachelor of Law, University of London Barrister, Lincoln's Inn, United Kingdom Advocate & Solicitor, Singapore Graduate Diploma in Marketing, Management Information System
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Medical Specialist, Orthopaedic Surgeon with the Group from 2014 to present Consultant, Orthopaedic Surgeon at Department of Orthopaedic Surgery, Singapore General Hospital from 2009 to 2014 	<ul style="list-style-type: none"> Jan 2010 to July 2012-Audit Partner at Deloitte & Touche LLP August 2012 to present-Audit partner at Ecovis Assurance LLP 	<ul style="list-style-type: none"> Started private medical specialist practice in 2008 specialising in Ophthalmology before joining Cornerstone Asia Health Pte. Ltd. Group in 2017 	<ul style="list-style-type: none"> 1990-2012 Advocate & Solicitor (Retired from law practice in April 2012)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest-243,100,000 ordinary shares held by AHS Investments Holdings Pte. Ltd. ("AHSIH")	None	Direct interest-27,360,838 ordinary shares	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	The shareholders of AHSIH are Dr Yue Wai Mun, Dr Su Hsien Ching David, Dr Tan Chyn Hong and Dr Chin himself. Accordingly, each of Dr Chin, Dr Su, Dr Tan and Dr Yue is deemed interested in the shares that AHSIH is interested in by virtue of Section 4 of the Securities Futures Act.	None	None	None
Conflict of interest (including any competing business)	No	No	No	Director and shareholder of Ezyhealth Holdings Pte. Ltd. (with interests in medical aesthetics)
Undertaking (in the format set out in Appendix 7H) under Rules 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
Other Principal Commitments including Directorships	<p>Past (for the last 5 years) <u>Listed Companies</u> Nil</p> <p><u>Non-Listed Companies</u> ■ Chin PL Pte. Ltd.</p> <p>Present <u>Listed Companies</u> ■ Chief Executive Officer and Director, Asian Healthcare Specialists Limited</p> <p><u>Non-Listed Companies</u> ■ Director, CTS Holding Pte. Ltd. ■ Director, The Orthopaedic Centre (Novena) Pte. Ltd. ■ Director, The Orthopaedic Centre (Orchard) Pte. Ltd. ■ Director, The Orthopaedic Centre (Farrer) Pte. Ltd. ■ Director, The Orthopaedic Centre (Gleneagles) Pte. Ltd. ■ Director, The Orthopaedic Centre (International) Pte. Ltd. ■ Director, Cornerstone Asia Health Pte. Ltd. ■ Director, AHS Investments Holdings Pte. Ltd. ■ Director, TOC Holdings Pte. Ltd. ■ Director, Asian Anaesthesia Care Pte. Ltd. ■ Director, Family ENT Snoring Specialists Pte. Ltd. ■ Director, Fansipan 2 Holdings Pte. Ltd. ■ Director, Salvia Ventures Pte. Ltd. ■ Director, Thai Binh Duong Medical Joint Stock Company</p>	<p>Past (for the last 5 years) <u>Listed Companies</u> Nil</p> <p><u>Non-Listed Companies</u> ■ Ng, Lee & Associates PAC</p> <p>Present <u>Listed Companies</u> ■ Chairman and Independent Director, Asian Healthcare Specialists Limited ■ Director, Fragrance Group Limited ■ Director, No Signboard Holdings Ltd.</p> <p><u>Non-Listed Companies</u> ■ Director, Spring & Associates PAC ■ Director, Ecovis Advisory Pte. Ltd.</p> <p><u>Other Principal Commitments</u> ■ Partner and Manager, Ecovis Assurance LLP</p>	<p>Past (for the last 5 years) <u>Listed Companies</u> Nil</p> <p><u>Non-Listed Companies</u> ■ Director, Singapore Eye & Vision Pte. Ltd. ■ Director, Singapore Eye Specialists Centre Pte. Ltd. ■ Director, Cornerstone Asia Health Pte. Ltd.</p> <p>Present <u>Listed Companies</u> ■ Director, Asian Healthcare Specialists Limited</p> <p><u>Non-Listed Companies</u> ■ Director, BobCheng Pte. Ltd. ■ Director, Retina Services International Pte. Ltd. ■ Director, RSI Medical Pte. Ltd.</p>	<p>Past (for the last 5 years) <u>Listed Companies</u> Nil</p> <p><u>Non-Listed Companies</u> ■ Director, Qualitas Medical Limited ■ Director, Phillip Ventures Enterprise Fund 2 Ltd. ■ Director, Raffles Venture (Direct) Pte. Limited ■ Alternate Director, Orchid 1 Investments Pte. Ltd. ■ Alternate Director, Orchid 2 Investments Pte. Ltd. ■ Director, Asia Township Development Pte. Ltd. ■ Director, Genkai Capital Secured Investment Pte. Ltd. ■ Director, Genkai Capital India Investment Pte. Ltd.</p> <p>Present <u>Listed Companies</u> ■ Director, Asian Healthcare Specialists Limited ■ Director, Pacific Century Regional Developments Limited ■ Director, Roxy-Pacific Holdings Limited ■ Director, Bonvests Holdings Limited ■ Director, AF Global Limited ■ Director, SUTL Enterprise Limited</p> <p><u>Non-Listed Companies</u> ■ Director, Ezyhealth Holdings Pte. Ltd. ■ Director, Heliconia Capital Management Pte. Ltd. ■ Director, RVP Coinvest Ltd ■ Director, Raffles Fund 1 Limited ■ Director, Raffles Fund 2 Limited ■ Director and Managing Director, Ezyhealthcare Trust Management Pte. Ltd (Dormant) ■ Director, Sabana Real Estate Investment Management Pte. Ltd.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	CHIN PAK LIN	LEOW CHUNG CHONG YAM SOON	CHENG CHING LI	YEO WEE KIONG
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	In 1990, when Mr Yeo commenced law practice, he attested to the signing of certain documents without requiring the physical presence of the person before him as he knew the person. The documents had to be re-executed and Mr Yeo was fined \$200 by the Law Society.

NOTICE OF ANNUAL GENERAL MEETING

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Company Registration No. 201727543R)

(Incorporated in Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Asian Healthcare Specialists Limited (the “Company”) will be held by way of electronic means on Thursday, 28 January 2021 at 10.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2020 together with the Auditors’ Report thereon.

(Resolution 1)

2. To declare a final Tax-Exempt (One-Tier) dividend of \$0.0015 per share for the financial year ended 30 September 2020 (2019: One-tier tax-exempt final dividend of \$0.009 per share).

(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Regulations 110 and 114 of the Constitution of the Company:

Dr Chin Pak Lin	(Retiring under Regulation 110)	(Resolution 3)
Mr Leow Chung Chong Yam Soon	(Retiring under Regulation 110)	(Resolution 4)
Dr Cheng Ching Li	(Retiring under Regulation 114)	(Resolution 5)
Mr Yeo Wee Kiong	(Retiring under Regulation 114)	(Resolution 6)

Dr Chin Pak Lin will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company and will be considered non-independent.

Mr Leow Chung Chong Yam Soon will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Board of Directors and Audit and Risk Management Committee and members of the Nominating and Remuneration Committees and will be considered independent.

Dr Cheng Ching Li will, upon re-election as a Director of the Company, remain as Executive Director of the Company and will be considered non-independent.

Mr Yeo Wee Kiong will, upon re-election as a Director of the Company, remain as Non-Executive and Non-Independent Director of the Company and will be considered non-independent.

[See explanatory Note (i)]

4. To approve the payment of \$150,000 as Directors’ fees for the financial year ending 30 September 2021, payable half-yearly in arrears (2020: Amount approved at the AGM = \$117,500. Actual amount paid after voluntary fee reduction of 10% = \$105,750).

(Resolution 7)

5. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 8)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares

That authority be given to the Directors of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Catalist Rules and notwithstanding the provisions of the Constitution of the Company, to:

- (a)
 - (i) issue shares in the capital of the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, and/or
 - (iii) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:
 - (i) the aggregate number of Shares issued pursuant to this Resolution (including Shares issued in pursuance to any Instruments made or granted pursuant to this Resolution), does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below, of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (B) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Catalist Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meetings) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See explanatory Note (ii)]

(Resolution 9)

8. Authority to issue Shares under the AHS Performance Share Plan

That pursuant to Section 161 of the Companies Act, the Directors be authorised and empowered to offer and grant performance shares under the AHS Performance Share Plan (the “**Scheme**”) and to issue from time to time such number of Shares as may be required to be issued pursuant to the performance shares granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional Shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See explanatory Note (iii)]

(Resolution 10)

By Order of the Board

Ngiam May Ling
Company Secretary

Date: 13 January 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Dr Chin Pak Lin will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company and will be considered non-independent. Save for his non-controlling shareholding interest in the Company's substantial shareholder, AHS Investments Holdings Pte. Ltd., Dr Chin does not have any other relationships including immediate family relationships between himself and the Directors, the Company and its other 5% shareholders. Further information on Dr Chin can be found under the section entitled "Board of Directors" on page 7 and table entitled "Appendix 7F Requirements" on pages 143 to 151 of the Annual Report 2020.

Mr Leow Chung Chong Yam Soon will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Board of Directors and Audit and Risk Management Committee and members of the Nominating and Remuneration Committees and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules. Mr Leow does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 5% shareholders. Further information on Mr Leow can be found under the section entitled "Board of Directors" on page 9 and table entitled "Appendix 7F Requirements" on pages 143 to 151 of the Annual Report 2020.

Dr Cheng Ching Li will, upon re-election as a Director of the Company, remain as Executive Director of the Company and will be considered non-independent. Save for his non-controlling shareholding interest in the Company's subsidiary, Cornerstone Asia Health Pte. Ltd. and his wife employed by the Group as clinic manager, Dr Cheng does not have any other relationships including immediate family relationships between himself and the Directors, the Company and its other 5% shareholders. Further information on Dr Cheng can be found under the section entitled "Board of Directors" on page 8 and table entitled "Appendix 7F Requirements" on pages 143 to 151 of the Annual Report 2020.

Mr Yeo Wee Kiong will, upon re-election as a Director of the Company, remain as Non-Executive and Non-Independent Director of the Company and will be considered non-independent. Mr Yeo does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 5% shareholders. Further information on Mr Yeo can be found under the section entitled "Board of Directors" on page 10 and table entitled "Appendix 7F Requirements" on pages 143 to 151 of the Annual Report 2020.

- (ii) The Ordinary Resolution 9, if passed, is to empower the Directors to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of Shares to be issued pursuant to Resolution 9 (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), with a sub-limit of fifty per cent (50%) for Shares issued other than on a pro rata basis (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 9) to shareholders with registered addresses in Singapore. For the purposes of determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of Resolution 9, after adjusting for (A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution 9, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalyst Rules; and (B) any subsequent bonus issue or consolidation or subdivision of Shares.
- (iii) The Ordinary Resolution 10, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares in the Company pursuant to the performance shares granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Shareholders may access a copy of the Annual Report 2020 on the Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html or the SGX website at the URL <https://www.sgx.com/securities/company-announcements>
- (2) The Annual General Meeting ("AGM") is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be published on the Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>
- (3) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 13 January 2021. This announcement may be accessed at the Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>
- (4) Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) may appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The proxy form will be published on the Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>

Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS operators to submit their votes by 10.00 am on 18 January 2021.

- (5) The Chairman of the AGM, as proxy, need not be a member of the Company.
- (6) The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to srs.teamc@boardroomlimited.com
 in either case, at least 72 hours before the time for holding the AGM.

A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

- (7) A member may withdraw an instrument appointing the Chairman of the AGM by sending an email to srs.teamc@boardroomlimited.com notify the Company of the withdrawal, at least 72 hours before the time for holding the AGM.

Personal data privacy:

By submitting the proxy form appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or their agents or service providers) for the purpose of the processing, administration and analysis by the Company (or their agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

In the case of a member who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the member warrants that it has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Company (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Company (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Company Registration No. 201727543R)

(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

1. The AGM (as defined below) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Proxy Form will be made available on Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement dated 13 January 2021 (the **13 January Announcement**).
3. Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the AGM in person. A shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.
4. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
5. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
6. Prior to the AGM, shareholders are encouraged to email their questions via the means set out under paragraph 5(b) of the 13 January Announcement.
7. **PLEASE READ THE NOTES TO THE PROXY FORM WHICH CONTAIN INSTRUCTIONS ON, INTER ALIA, THE APPOINTMENT OF THE CHAIRMAN OF THE AGM AS A SHAREHOLDER'S PROXY TO ATTEND, SPEAK AND VOTE ON HIS/HER BEHALF AT THE AGM.**

I/We (Name), _____ (NRIC No./Passport No./UEN No.) _____

of (Address) _____,

being a shareholder/shareholders of Asian Healthcare Specialists Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting (the "**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be convened and held by electronic means on Thursday, 28 January 2021 at 10.00 am and at any adjournment thereof. I/We direct the Chairman of the AGM to vote for, or against, or abstain from voting the resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	Number of votes For [^]	Number of votes Against [^]	Number of votes Abstaining [^]
As Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2020			
2	Payment of proposed final dividend			
3	Re-election of Dr Chin Pak Lin as a Director of the Company			
4	Re-election of Mr Leow Chung Chong Yam Soon as a Director of the Company			
5	Re-election of Dr Cheng Ching Li as a Director of the Company			
6	Re-election of Mr Yeo Wee Kiong as a Director of the Company			
7	Approval of Directors' fees amounting to \$150,000 for the financial year ending 30 September 2021			
8	Re-appointment of KPMG LLP as the Auditors of the Company for the ensuing year and authority for Directors to fix their remuneration			
As Special Business				
9	Authority to issue shares			
10	Authority to issue shares under the AHS Performance Share Plan			

[^] Voting will be conducted by poll. If you wish the Chairman of the AGM to cast all your votes "For" or "Against" a Resolution, or to "Abstain" from a Resolution, please tick in the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2021

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

- (1) Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the AGM in person. **A shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM, must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** This Proxy Form will be made available on the Company's website at the URL https://investor.asianhealthcare.com.sg/agm_egm.html and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>
- (2) CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.00 am on 18 January 2021**, being 7 working days before the date of the AGM.
- (3) The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
- (4) A shareholder should insert the total number of shares held in the Proxy Form. If the shareholder has shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of shares. If the shareholder has shares registered in his/her name in the Register of Shareholder of the Company, he/she should insert that number of shares. If the shareholder has shares entered against his/her name in the said Depository Register and registered in his/her name in the Register of Shareholder, he/she should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the shareholder.
- (5) A shareholder who is a relevant intermediary entitled to attend the meeting and vote (whether to vote in favour of or against, or to abstain from voting) is entitled to appoint the Chairman of the AGM as proxy to attend and vote (whether to vote in favour of or against, or to abstain from voting) instead of the shareholder, but the Chairman of the AGM must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (6) The Proxy Form must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be received by the Company at srs.teamc@boardroomlimited.com

in either case, no later than **10.00 am on 25 January 2021**, being not less than 72 hours before the time appointed for holding the AGM.

A shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the Covid-19 restrictions orders in Singapore which may make it difficult for shareholders to submit completed Proxy Forms by post, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

- (7) The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, it must be executed either under its common seal or under the hand of an officer or attorney so authorised.
- (8) Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly appointed officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney must (failing previous registration) be deposited with the Proxy Form, failing which the Proxy Form may be treated as invalid.
- (9) A corporation which is a shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- (10) The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.
- (11) All shareholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 January 2021.

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