



ASIAN HEALTHCARE SPECIALISTS LIMITED (Registration No. 201727543R)

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2018

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

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

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

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

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

Background

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

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

For the purpose of this announcement, the results of the Group for the financial period ended 31 March 2018 (“**1H2018**”) and the comparative results of the Group for the financial period ended 31 March 2017 (“**1H2017**”) have been prepared on the assumption that the Group’s structure following the completion of the Restructuring Exercise has been in place since the beginning of the earliest period presented.

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

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HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

The directors are pleased to announce the results for the financial period ended 31 March 2018. The comparative is for the financial period ended 31 March 2017. These figures have not been audited.

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

	1H2018	1H2017	increase/ (decrease)
	S\$'000	S\$'000	%
Revenue	5,647	5,618	0.5%
Other income	15	24	(37.5%)
<i>Items of expense</i>			
Supplies and consumables used	(889)	(785)	13.2%
Purchased and contracted services	(64)	(3,736)	(98.3%)
Staff costs	(1,707)	(334)	411.1%
Depreciation of plant and equipment	(30)	(61)	(50.8%)
Other operating expenses	(1,270)	(564)	125.2%
Profit before tax	1,702	162	950.6%
Tax expense	(275)	(11)	2,400.0%
Profit for the financial period, representing total comprehensive income for the period, attributable to owners of the Company	1,427	151	845.0%
Earnings per share			
- Basic and diluted (cents)	0.49	0.05	880.0%

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Profit before tax

Profit before tax is arrived at after including:

	1H2018	1H2017
	S\$'000	S\$'000
Profit for the period is arrived at after including:		
Government grants	(15)	(24)
Contribution to defined contribution plan included in staff costs	85	39
Depreciation of property, plant and equipment	30	61
Expenses for IPO exercise	649	–
Impairment loss:		
- Trade receivables	3	81
Operating lease expenses	236	219

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

	The Group		The Company	
	31/03/2018 S\$'000	30/09/2017 S\$'000	31/03/2018 S\$'000	30/09/2017 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	40	63	–	–
Investment in subsidiaries	–	–	2,431	–
Total non-current assets	40	63	2,431	–
Current assets				
Trade and other receivables	1,986	1,601	892	–
Cash and cash equivalents	2,337	2,142	3	– ⁽¹⁾
Total current assets	4,323	3,743	895	–⁽¹⁾
Total assets	4,363	3,806	3,326	–⁽¹⁾
EQUITY				
Share capital	2,431	2,431	2,431	– ⁽¹⁾
Reserves	(2,431)	(2,431)	–	–
Retained earnings	2,479	1,852	95	–
Total equity attributable to owners of the Company	2,479	1,852	2,526	–⁽¹⁾
LIABILITIES				
Non-current liability				
Deferred tax liability	11	11	–	–
Total non-current liability	11	11	–	–
Current liabilities				
Trade and other payables	1,544	1,823	800	–
Current tax payable	329	120	–	–
Total current liabilities	1,873	1,943	800	–
Total liabilities	1,884	1,954	800	–
Total equity and liabilities	4,363	3,806	3,326	–

Note:

⁽¹⁾ Less than S\$1,000

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

None

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

	1H2018	1H2017
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	1,702	162
Adjustments for:		
Depreciation of plant and equipment	30	61
	<u>1,732</u>	<u>223</u>
Changes in:		
- trade and other receivables	(385)	391
- trade and other payables	(496)	695
Cash generated from operations	<u>851</u>	<u>1,309</u>
Tax paid	(66)	(23)
Net cash generated from operating activities	<u>785</u>	<u>1,286</u>
Cash flows from investing activity		
Purchase of plant and equipment	(7)	(17)
Net cash used in investing activity	<u>(7)</u>	<u>(17)</u>
Cash flows from financing activities		
Advances due from related parties	–	(190)
Amounts due to related parties	(583)	–
Net cash used in financing activities	<u>(583)</u>	<u>(190)</u>
Net increase in cash and cash equivalents	195	1,079
Cash and cash equivalents at 1 October	2,142	1,198
Cash and cash equivalents at 31 March	<u>2,337</u>	<u>2,277</u>

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

The Group

	Share capital S\$'000	Other Reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 October 2016	2,431	(2,431)	1,414	1,414
Profit for the financial period	–	–	151	151
Total comprehensive income for the financial period	–	–	151	151
At 31 March 2017	2,431	(2,431)	1,565	1,565
At 1 October 2017	2,431	(2,431)	1,852	1,852
Profit for the financial period	–	–	1,427	1,427
Total comprehensive income for the financial period	–	–	1,427	1,427
<i>Contributions by and distributions to owner</i>				
Dividends declared	–	–	(800)	(800)
Total transactions with owners	–	–	(800)	(800)
At 31 March 2018	2,431	(2,431)	2,479	2,479

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

The Company

	Share capital S\$'000	Other Reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Issue of shares at date of incorporation, 27 September 2017 ⁽²⁾	– ⁽¹⁾	–	–	– ⁽¹⁾
Profit for the financial period	–	–	895	895
Total comprehensive income for the financial period	– ⁽¹⁾	–	895	895
<i>Contributions by and distributions to owner</i>				
Acquisition of subsidiaries and issuance of consideration shares pursuant to Restructuring Exercise	2,431	–	–	2,431
Dividends declared	–	–	(800)	(800)
Total transactions with owners	2,431	–	(800)	1,631
At 31 March 2018	2,431	–	95	2,526

Note:

⁽¹⁾ Less than S\$1,000

⁽²⁾ There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 27 September 2017.

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

Purpose	Number of new Shares issued	Resultant Issued and Paid Up Share Capital	
		No of Share(s)	(\$)
Issued and paid-up capital as at date of incorporation, 27 September 2017	1	1	1
Restructuring Exercise on 11 October 2017	2,430,999	2,431,000	2,431,000
Share Split on 22 March 2018	240,669,000	243,100,000	2,431,000
Share capital as at 31 March 2018	-	243,100,000	2,431,000

Following the issuance of 46,900,000 Placement Shares at S\$0.23 for each Placement Share on 18 April 2018 pursuant to the IPO, the Company's total issued and paid up share capital is S\$13,218,000 comprising of 290,000,000 Ordinary Shares as at the date of this announcement.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 31 March 2018. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 27 September 2017.

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

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

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

There are no treasury shares held by the Company.

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

The Company has no subsidiary holdings as at 31 March 2018.

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

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

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

Not applicable.

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

The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited combined financial statements for the financial year ended 30 September 2017 as set out in the Company's Offer Document dated 12 April 2018.

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

Not applicable.

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

	1H2018	1H2017	increase/ (decrease)
Earnings per ordinary share:-	cents	cents	%
(a) Based on the weighted average number of ordinary shares in issue; and	0.49	0.05	880.0%
(b) On a fully diluted basis	0.49	0.05	880.0%

For comparative and illustrative purposes, the earnings per share for the respective financial periods have been computed based on the profit for the financial period attributable to owners of the Company divided by its post-Placement share capital of 290,000,000 Shares.

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

	The Group			The Company		
	31/03/2018	30/09/2017	increase/ (decrease) %	31/03/2018	30/09/2017	increase/ (decrease) %
	cents	cents		cents	cents	
Net asset value per ordinary share based on existing issued share capital (cents)	4.14	3.92	5.6%	4.15	3.28	26.5%

For comparative and illustrative purposes, the calculation of the net asset value per share for the respective financial periods is based on the post-Placement share capital of 290,000,000 Shares and the inclusion of net proceeds of approximately S\$9,517,000 from the Placement.

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

INCOME STATEMENT

Revenue

Revenue remained fairly stable, registering an increase of S\$29,000 or 0.5%, from S\$5,618,000 in 1H2017 to S\$5,647,000 in 1H2018.

Other income

Other income comprises mainly government grants under the Productivity and Innovation Credit Scheme and Wage Credit Scheme, decreased by S\$9,000 or 37.5%, from S\$24,000 in 1H2017 to S\$15,000 in 1H2018.

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INCOME STATEMENT (CONTINUED)

Supplies and consumables used

Expense arising from supplies and consumables used increased by S\$104,000, or 13.2%, from S\$785,000 in 1H2017 to S\$889,000 in 1H2018. Supplies and consumables used comprise mainly expenses incurred to purchase implants, braces and drugs required for the provision of orthopaedic services, amounted to 14.0% and 15.7% of revenues in 1H2017 and 1H2018 respectively. The increase is mainly due to more expensive implants purchases. Implant cost varies depending on the type and complexity of surgeries.

Purchased and contracted services

Purchased and contracted services decreased by S\$3,672,000, or 98.3% from S\$3,736,000 in 1H2017 to S\$64,000 in 1H2018. Purchased and contracted services accounted for 66.5% and 1.1% of revenues in 1H2017 and 1H2018 respectively. The decreased is due to termination of the Consultancy Services Agreements and the commencement of the Employment Agreements with Dr Chin Pak Lin, Dr Yue Wai Mun, Dr Su Hsien Ching David and Dr Tan Chyn Hong (the “**Consultancy Services Agreements**” and “**Employment Agreements**” respectively). For comparative and illustrative purposes, the adjusted 1H2017 purchased and contracted services, being excluding consultancy services fees pursuant to the Consultancy Service Agreements, amounted to S\$141,000, which accounted for 2.5% of 1H2017 revenue.

Staff costs

Staff costs increased by S\$1,373,000, or 411.1%, from S\$334,000 in 1H2017 to S\$1,707,000 in 1H2018. Staff costs accounted for 5.9% and 30.2% of revenues in 1H2017 and 1H2018 respectively. The increase is mainly due to (i) termination of the Consultancy Services Agreements and the commencement of the Employment Agreements; and (ii) the increase in number of staff hired. For comparative and illustrative purposes, the adjusted 1H2017 staff costs, being including the salaries pursuant to the Employment Agreements, amounted to S\$1,335,000, which accounted for 23.8% of 1H2017 revenue.

Depreciation of plant and equipment

Depreciation of plant and equipment decreased by S\$31,000, or 50.8% from S\$61,000 in 1H2017 to S\$30,000 in 1H2018, due to the full depreciation of some plant and equipment.

Other operating expenses

Other operating expenses increased by S\$706,000, or 125.2%, from S\$564,000 in 1H2017 to S\$1,270,000 in 1H2018. The increase is mainly attributed to expenses for IPO exercise of S\$649,000.

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INCOME STATEMENT (CONTINUED)

Profit before tax

Profit before tax increased by S\$1,540,000, or 950.6% from S\$162,000 in 1H2017 to S\$1,702,000 in 1H2018, which includes expenses for IPO exercise of S\$649,000. The increase is due mainly to the termination of the Consultancy Services Agreements and the commencement of the Employment Agreements. For comparative and illustrative purposes, the adjusted 1H2017 profit before tax, being (i) excluding consultancy services fees pursuant to the Consultancy Service Agreements and (ii) including the salaries pursuant to the Employment Agreements, amounted to S\$2,756,000.

Tax expense

Tax expense increased by S\$264,000, or 2400.0%, from S\$11,000 in 1H2017 to S\$275,000 in 1H2018, which was in tandem to the higher profit before tax. The effective tax rate at 16.2%, which is approximate to the statutory tax rate of 17.0%.

BALANCE SHEET

As at 31 March 2018

Non-current assets

As at 31 March 2018, non-current assets amounted to S\$40,000 or 0.9% of the Group's total assets. Non-current assets consist of plant and equipment of S\$40,000, comprising furniture, fittings, and office equipment, renovations and computers.

Current assets

As at 31 March 2018, current assets amounted to S\$4,323,000 or 99.1% of the Group's total assets. Current assets consist of the following:

- Trade and other receivables of S\$1,986,000 or 45.9% of the Group's total current assets, comprising mainly of trade receivables, deposits and other receivables; and
- Cash and cash equivalents of S\$2,337,000 or 54.1% of the Group's total current assets.

Non-current liabilities

As at 31 March 2018, non-current liabilities, comprise solely of deferred tax liability of S\$11,000, accounting for 0.6% of the Group's total liabilities. Deferred tax liability arose from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

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BALANCE SHEET (CONTINUED)

Current liabilities

As at 31 March 2018, current liabilities amounted to S\$1,873,000 or 99.4% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$1,544,000 or 82.4% of the Group's total current liabilities, which includes S\$800,000 of interim dividends which were declared on 31 January 2018 to be paid to AHS Investments Holdings Pte. Ltd; and
- Current tax liabilities of S\$329,000 or 17.6% of the Group's total current liabilities, comprising income tax payable.

Equity

As at 31 March 2018, equity of S\$2,479,000 comprises issued and fully paid share capital of S\$2,431,000 and retained earnings of S\$2,479,000, net of merger reserve of S\$2,431,000. Merger reserve arose from the Restructuring Exercise under common control and represents the difference between the consideration paid and the issued share capital of subsidiaries.

CASH FLOW STATEMENT

The Group's net cash generated from operating activities in 1H2018 of S\$785,000, mainly resulted from operating cash flows before changes in working capital of S\$1,732,000, offset by net working capital outflows of S\$881,000, and income tax paid of S\$66,000. The net working capital outflows were due to (i) increase in trade and other receivables of S\$385,000; and (ii) the decrease in trade and other payables of S\$496,000.

The Group's net cash used in investing activity in 1H2018 of S\$7,000 which was attributed to purchase of plant and equipment.

The Group's net cash used in financing activity in 1H2018 of S\$583,000 was relating to repayment of the amounts due to related parties, namely Dr Chin Pak Lin, Dr Su Hsien Ching David and Dr Tan Chyn Hong.

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

There was no forecast made.

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

On the back of a growing and ageing population, coupled with an increasing percentage of insured patients in Singapore and the region, the growing demand for medical services in Singapore is expected to continue, which we anticipate would result in an increased demand for the Group's medical services. Nonetheless, the Group is mindful that the healthcare business remains highly competitive.

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

11. **Dividend**

- (a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

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

Note:

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

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

- (b) **Corresponding Period of the Immediately Preceding Financial Year**

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

None.

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(c) Date payable

The interim dividend will be paid on or about 26 June 2018.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 14 June 2018 at 5.00 p.m. for the preparation of dividend payment.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 14 June 2018 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 14 June 2018 will be entitled to the interim dividend.

The interim dividend will be paid on 26 June 2018.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

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

Not applicable. The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"). Except for the Restructuring Exercise and IPTs disclosed in the Offer Document of the Company, there were no additional IPTs during 1H2018.

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14. Use of IPO proceeds

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

Use of proceeds	Allocation of Net Proceeds (as disclosed in the Offer Document) S\$'000	Net Proceeds utilised as at the date of this announcement S\$'000	Balance of Net Proceeds as at the date of this announcement S\$'000
Business expansion (including organic expansion and mergers and acquisitions)	8,500	–	8,500
Working capital	1,017	–	1,017 ⁽³⁾
Total	9,517	–	9,517

Note:

⁽³⁾ The Group will be utilising the net proceeds allocated to working capital for Group's monthly staff costs.

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

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

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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the half-year ended 31 March 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHIN PAK LIN

Executive Chairman and CEO
5 June 2018