



**ASIAN HEALTHCARE SPECIALISTS LIMITED**  
**(Registration No. 201727543R)**

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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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*Unless otherwise defined, capitalized 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 second half ended 30 September 2018 (“**2H2018**”) and the financial year ended 30 September 2018 (“**FY2018**”), and the comparative results of the Group for the second half ended 30 September 2017 (“**2H2017**”) and financial year ended 30 September 2017 (“**FY2017**”) 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 subspecialized 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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**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

1(a)(i) The Directors of the Company are pleased to announce the unaudited consolidated results of the the Group for 2H2018 and FY2018 respectively. The comparable periods are defined as 2H2017 and FY2017 respectively in this announcement.

	<b>2H2018</b>	<b>2H2017</b>	<b>increase/ (decrease)</b>	<b>FY2018</b>	<b>FY2017</b>	<b>increase/ (decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	5,216	5,398	(3.4%)	10,863	11,016	(1.4%)
Other income	104	5	1,980.0%	119	29	310.3%
<i>Items of expense</i>						
Supplies and consumables used	(827)	(668)	23.8%	(1,716)	(1,453)	18.1%
Purchased and contracted services	(107)	(3,485)	(96.9%)	(171)	(7,221)	(97.6%)
Staff costs	(1,959)	(360)	444.2%	(3,666)	(694)	428.2%
Depreciation of plant and equipment	(23)	(49)	(53.1%)	(53)	(110)	(51.8%)
Other operating expenses	(1,171)	(534)	119.3%	(2,441)	(1,098)	122.3%
<b>Profit before tax</b>	<b>1,233</b>	<b>307</b>	<b>301.6%</b>	<b>2,935</b>	<b>469</b>	<b>525.8%</b>
Tax expense	(208)	(20)	940.0%	(483)	(31)	1458.1%
<b>Profit for the financial period/ year, representing total comprehensive income for the period, attributable to owners of the Company</b>	<b>1,025</b>	<b>287</b>	<b>257.1%</b>	<b>2,452</b>	<b>438</b>	<b>459.8%</b>
Earnings per share - Basic and diluted (cents)	0.36	0.12	204.0%	0.93	0.18	414.9%

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**Profit before tax**

Profit before tax is arrived at after including:

	<b>2H2018</b>	<b>2H2017</b>	<b>FY2018</b>	<b>FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Profit for the period/ year is arrived at after including:</b>				
Government grants	(70)	(2)	(85)	(26)
Interest income	(34)	-	(34)	-
Contribution to defined contribution plan included in staff costs	103	49	188	88
Depreciation of plant and equipment	23	49	53	110
Expenses for IPO exercise	316	87	965	87
Impairment loss:				
- Trade receivables	10	81	13	162
Operating lease expenses	107	77	343	296

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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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	24	63	–	–
Investment in subsidiaries	–	–	2,431	–
<b>Total non-current assets</b>	<b>24</b>	<b>63</b>	<b>2,431</b>	<b>–</b>
<b>Current assets</b>				
Trade and other receivables	1,601	1,601	3,296	–
Cash and cash equivalents	13,021	2,142	8,681	– <sup>(1)</sup>
<b>Total current assets</b>	<b>14,622</b>	<b>3,743</b>	<b>11,977</b>	<b>–<sup>(1)</sup></b>
<b>Total assets</b>	<b>14,646</b>	<b>3,806</b>	<b>14,408</b>	<b>–<sup>(1)</sup></b>
<b>EQUITY</b>				
Share capital	12,715	2,431	12,715	– <sup>(1)</sup>
Other reserves	(2,431)	(2,431)	–	–
Retained earnings	2,924	1,852	1,549	–
<b>Total equity attributable to owners of the Company</b>	<b>13,208</b>	<b>1,852</b>	<b>14,264</b>	<b>–<sup>(1)</sup></b>
<b>LIABILITIES</b>				
<b>Non-current liability</b>				
Deferred tax liability	11	11	–	–
<b>Total non-current liability</b>	<b>11</b>	<b>11</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>				
Trade and other payables	908	1,823	144	–
Current tax payable	519	120	–	–
<b>Total current liabilities</b>	<b>1,427</b>	<b>1,943</b>	<b>144</b>	<b>–</b>
<b>Total liabilities</b>	<b>1,438</b>	<b>1,954</b>	<b>144</b>	<b>–</b>
<b>Total equity and liabilities</b>	<b>14,646</b>	<b>3,806</b>	<b>14,408</b>	<b>–</b>

**Note:**

<sup>(1)</sup> Less than S\$1,000

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**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:**

**(a) The amount repayable in one year or less, or on demand;**

None

**(b) The amount repayable after one year;**

None

**(c) Whether the amounts are secured or unsecured; and**

None

**(d) Details of any collaterals.**

None

**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.**

	<b>2H2018</b>	<b>2H2017</b>	<b>FY2018</b>	<b>FY2017</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	1,233	307	2,935	469
Adjustments for:				
Depreciation of plant and equipment	23	49	53	110
Interest income	(34)	-	(34)	-
	<u>1,222</u>	<u>356</u>	<u>2,954</u>	<u>579</u>
Changes in:				
- trade and other receivables	398	154	13	545
- trade and other payables	164	(600)	(332)	95
<b>Cash generated from / (used in) operations</b>	<u>1,784</u>	<u>(90)</u>	<u>2,635</u>	<u>1,219</u>
Interest received	21	-	21	-
Tax paid	(18)	(40)	(84)	(63)
<b>Net cash generated from / (used in) operating activities</b>	<u>1,787</u>	<u>(130)</u>	<u>2,572</u>	<u>1,156</u>
<b>Cash flows from investing activity</b>				
Purchase of plant and equipment	(7)	(9)	(14)	(26)
<b>Net cash used in investing activity</b>	<u>(7)</u>	<u>(9)</u>	<u>(14)</u>	<u>(26)</u>
<b>Cash flows from financing activities</b>				
Advances due from related parties	-	-	-	(190)
Amounts due to related parties	-	4	(583)	4
Gross proceeds from issuance of new shares pursuant to IPO	10,787	-	10,787	-
Share issue expenses capitalised in equity	(503)	-	(503)	-
Dividends paid to owners of the Company	(1,380)	-	(1,380)	-
<b>Net cash generated from / (used in) financing activities</b>	<u>8,904</u>	<u>4</u>	<u>8,321</u>	<u>(186)</u>
Net increase / (decrease) in cash and cash equivalents	10,684	(135)	10,879	944
Cash and cash equivalents at beginning of the period	<u>2,337</u>	<u>2,277</u>	<u>2,142</u>	<u>1,198</u>
<b>Cash and cash equivalents at 30 September</b>	<u>13,021</u>	<u>2,142</u>	<u>13,021</u>	<u>2,142</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 capitalization 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
<b>At 1 October 2016</b>	2,431	(2,431)	1,414	1,414
Profit for the financial year	–	–	438	438
<b>Total comprehensive income for the financial year</b>	–	–	438	438
<b>At 30 September 2017</b>	2,431	(2,431)	1,852	1,852
<b>At 1 October 2017</b>	2,431	(2,431)	1,852	1,852
Profit for the financial year	–	–	2,452	2,452
<b>Total comprehensive income for the financial year</b>	–	–	2,452	2,452
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to IPO	10,787	–	–	10,787
Capitalisation of share issue expenses	(503)	–	–	(503)
Dividends paid	–	–	(1,380)	(1,380)
<b>Total transactions with owners</b>	10,284	–	(1,380)	8,904
<b>At 30 September 2018</b>	12,715	(2,431)	2,924	13,208

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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**

	<b>Share capital S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total equity S\$'000</b>
<b>Issue of shares at date of incorporation, 27 September 2017 <sup>(2)</sup></b>	– <sup>(1)</sup>	–	– <sup>(1)</sup>
Profit for the financial year	–	2,929	2,929
<b>Total comprehensive income for the financial year</b>	<b>– <sup>(1)</sup></b>	<b>2,929</b>	<b>2,929</b>
<i>Contributions by and distributions to owners</i>			
Acquisition of subsidiaries and issuance of consideration shares pursuant to Restructuring Exercise	2,431	–	2,431
Issuance of new shares pursuant to IPO	10,787	–	10,787
Capitalisation of share issue expenses	(503)	–	(503)
Dividends paid	–	(1,380)	(1,380)
<b>Total transactions with owners</b>	<b>12,715</b>	<b>(1,380)</b>	<b>11,335</b>
<b>At 30 September 2018</b>	<b>12,715</b>	<b>1,549</b>	<b>14,264</b>

**Note:**

<sup>(1)</sup> Less than S\$1,000

<sup>(2)</sup> 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)	(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
Issuance of new shares pursuant to IPO on 18 April 2018	46,900,000	290,000,000	13,218,000
Share capital as at 30 September 2018	-	290,000,000	13,218,000

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 30 September 2018.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 30 September 2018.

Subsequent to the financial year ended 30 September 2018

The Company has, on 15 October 2018 entered into an investment agreement (“**Investment Agreement**”) with Vanda 1 Investments Pte. Ltd. (the “**Investor**”). The Investor is a Singapore incorporated company managed and controlled by Heliconia Capital Management Pte. Ltd. (“**Heliconia**”). Heliconia is an investment company incorporated in Singapore and a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Pursuant to the Investment Agreement, (1) up to 20,000,000 Conversion Shares at a conversion price of S\$0.25 per Conversion Share are to be issued upon conversion of the Convertible Bond (subject to the



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Adjustment Events), and (2) up to 15,384,615 Option Shares are to be issued upon exercise of the Option at an option price of S\$0.325 per Option Share (subject to the Adjustment Events). Please refer to the Company's announcements dated 15 October 2018, 19 October 2018 and 31 October 2018 in relation to the Convertible Bond Issuance and Grant of Option under the Investment Agreement to the Investor.

The Company has, on 26 October 2018 entered into a sale and purchase agreement ("SPA") with Dr Lim Tet Chen Roy (the "Vendor"), in relation to the proposed acquisition of the entire issued and paid up shares ("Sale Shares") in the share capital of Asian Anaesthesia Care Pte. Ltd. ("AAC") by the Company (the "Acquisition"). Pursuant to the Completion of the Acquisition, the Company has issued and allotted 35,892,857 Consideration Shares at the issue price of S\$0.28 per Consideration Share on 28 November 2018. Please refer to the Company's announcements dated 26 October 2018, 7 November 2018 and 28 November 2018 in relation to the SPA with Vendor for the Acquisition.

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

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

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

There are no treasury shares held by the Company.

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

The Company has no subsidiary holdings as at 30 September 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.

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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.**

	<b>2H2018</b>	<b>2H2017</b>	<b>increase/ (decrease)</b>	<b>FY2018</b>	<b>FY2017</b>	<b>increase/ (decrease)</b>
Earnings per ordinary share: -	<b>cents</b>	<b>cents</b>	<b>%</b>	<b>cents</b>	<b>cents</b>	<b>%</b>
(a) Based on the weighted average number of ordinary shares in issue; and	0.36	0.12	204.0%	0.93	0.18	414.9%
(b) On a fully diluted basis	0.36	0.12	204.0%	0.93	0.18	414.9%
Number of shares	<b>2H2018 '000</b>	<b>2H2017 '000</b>		<b>FY2018 '000</b>	<b>FY2017 '000</b>	
Weighted average number of ordinary shares in issue	285,619	243,100		264,301	243,100	

For the corresponding period of the immediately preceding financial year, the Company's pre-placement number of ordinary shares of 243,100,000 has been used in the calculation of basic and diluted earnings per share. The pre-placement number of ordinary shares reflects the weighted average number of shares as at 30 September 2017 adjusted for (i) the shares issued to the Controlling Shareholders after the Restructuring Exercise and (ii) share split on 22 March 2018, on the basis that the shares transfer and split had taken effect as of 1 October 2016.

There were no dilutive ordinary shares in issue.

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.**

	<b>The Group</b>			<b>The Company</b>		
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>increase/ (decrease)</b>	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>increase/ (decrease)</b>
Net asset value per ordinary share based on existing issued share capital (cents)	<b>cents</b>	<b>cents</b>	<b>%</b>	<b>cents</b>	<b>cents</b>	<b>%</b>
	4.55	0.76	497.8%	4.92	– <sup>(2)</sup>	– <sup>(2)</sup>

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For the corresponding period of the immediately preceding financial year, the Group's net asset value per ordinary share has been derived using total equity divided by our pre-placement share capital of 243,100,000 shares.

### **Note:**

<sup>(2)</sup> 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.

- 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**

#### **FY2018 and 2H2018**

##### ***Revenue***

The decrease in revenue in both FY2018 and 2H2018 was mainly attributable to a decrease in the number of patient visits as compared to the same corresponding period last year. The Group's revenue for FY2018 was S\$10,863,000, a decrease of S\$153,000 or 1.4% from S\$11,016,000 for FY2017. In 2H2018, revenue for the Group decreased by S\$182,000 or 3.4% from S\$5,398,000 in 2H2017 to S\$5,216,000 in 2H2018.

##### ***Other income***

The Group's other income comprises mainly government grants and interest income.

The Group's other income for FY2018 increased by S\$90,000 or 310.3% from S\$29,000 in FY2017 to S\$119,000 in FY2018, out of which S\$85,000 was government grants and S\$34,000 was interest income earned.

In 2H2018, other income increased by S\$99,000, from S\$5,000 in 2H2017 to S\$104,000 in 2H2018, out of which S\$70,000 was government grants and S\$34,000 was interest income earned.

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## Items of expense

### *Supplies and consumables used*

For FY2018 and 2H2018, expense arising from supplies and consumables used increased by S\$263,000 or 18.1% and S\$159,000 or 23.8%, from S\$1,453,000 to S\$1,716,000 and from S\$668,000 to S\$827,000 respectively. Supplies and consumables used comprise mainly expenses incurred to purchase implants, braces and drugs required for the provision of orthopaedic services. The increase was mainly due to higher implant cost, from S\$1,110,000 in FY2017 to S\$1,311,000 in FY2018. Implant cost varies depending on the type and complexity of surgeries. For instance, the cost of implants used in spine-related surgeries are higher.

### *Purchased and contracted services*

For FY2018 and 2H2018, purchased and contracted services decreased by S\$7,050,000 or 97.6% and S\$3,378,000 or 96.9%, from S\$7,221,000 to S\$171,000 and from S\$3,485,000 to S\$107,000 respectively. The decrease was 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).

### *Staff costs*

For FY2018 and 2H2018, staff costs increased by S\$2,972,000 or 428.2% and S\$1,599,000 or 444.2%, from S\$694,000 to S\$3,666,000 and from S\$360,000 to S\$1,959,000 respectively. The increase was mainly due to (i) the termination of the Consultancy Services Agreements and the commencement of the Employment Agreements; and (ii) the increase in number of staff hired.

### *Depreciation of plant and equipment*

For FY2018 and 2H2018, depreciation of plant and equipment decreased by S\$57,000 or 51.8% and S\$26,000, or 53.1%, from S\$110,000 to S\$53,000 and from S\$49,000 to S\$23,000 respectively, due to the full depreciation of some plant and equipment.

### *Other operating expenses*

For FY2018 and 2H2018, other operating expenses increased by S\$1,343,000 or 122.3% and S\$637,000 or 119.3%, from S\$1,098,000 to S\$2,441,000 and from S\$534,000 to S\$1,171,000 respectively. The increase in operating expenses was mainly due to expenses for IPO exercise and other operating expenses in connection to continuing listing obligation.

### *Profit before tax*

For FY2018 and 2H2018, the Group recorded an increase of profit before tax of S\$2,466,000 or 525.8% and S\$926,000 or 301.6%, from S\$469,000 to S\$2,935,000 and from S\$307,000 to S\$1,233,000 respectively. The increase was mainly due to (i) decrease in purchased and contracted services pursuant to the termination of the Consultancy Services Agreements, net of (ii) increased staff costs pursuant to the commencement of the Employment Agreements, (iii) higher supplies and consumables used, and

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(iv) increased other operating expenses, which includes expenses for IPO exercise of S\$965,000 and S\$316,000 in FY2018 and 2H2018 respectively.

### ***Tax expense***

For FY2018 and 2H2018, income tax expense increased by S\$452,000 or 1458.1% and S\$188,000 or 940.0%, from S\$31,000 to S\$483,000 and from S\$20,000 to S\$208,000 respectively. The effective tax rate for FY2018 approximates to 16.5%, which is approximate to the statutory tax rate of 17.0%.

## **BALANCE SHEET**

### **As at 30 September 2018**

#### **Non-current assets**

As at 30 September 2018, non-current assets amounted to S\$24,000 or 0.2% of the Group's total assets. Non-current assets consist of plant and equipment of S\$24,000, comprising furniture, fittings, and office equipment, renovations and computers.

#### **Current assets**

As at 30 September 2018, current assets amounted to S\$14,622,000 or 99.8% of the Group's total assets. Current assets consist of the following:

- Trade and other receivables of S\$1,601,000 or 10.9% of the Group's total current assets, comprising mainly of trade receivables, deposits and other receivables; and
- Cash and cash equivalents of S\$13,021,000 or 89.1% of the Group's total current assets.

#### **Non-current liabilities**

As at 30 September 2018, non-current liabilities comprise solely of deferred tax liability of S\$11,000, accounting for 0.8% 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.

#### **Current liabilities**

As at 30 September 2018, current liabilities amounted to S\$1,427,000 or 99.2% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$908,000 or 63.6% of the Group's total current liabilities, comprising mainly trade payables, accrued expenses, GST payables and amount due to a related party; and
- Current tax liabilities of S\$519,000 or 36.4% of the Group's total current liabilities, comprising income tax payable.

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## **Equity**

As at 30 September 2018, equity of S\$13,208,000 comprises issued and fully paid share capital of S\$12,715,000 and retained earnings of S\$2,924,000, 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**

### **FY2018**

#### **Operating activities**

In FY2018, net cash generated from operating activities amounted to S\$2,572,000. This comprised operating cash flows before changes in working capital of S\$2,954,000 and interest received of S\$21,000, offset by net working capital outflows of S\$319,000 and income tax paid of S\$84,000. The net working capital outflows were mainly due to the decrease in trade and other payables of S\$332,000.

#### **Investing activities**

Net cash used in investing activity of S\$14,000 was attributable to the purchase of plant and equipment.

#### **Financing activities**

Net cash generated from financing activities of S\$8,321,000 was attributed to (i) gross proceeds from issuance of new shares pursuant to IPO less share issue expenses, amounting to S\$10,284,000; offset by (ii) repayment of the amounts due to related parties, namely Dr Chin Pak Lin, Dr Su Hsien Ching David and Dr Tan Chyn Hong, amounting to S\$583,000, and (iii) dividends paid, amounting to S\$1,380,000.

### **H2FY2018**

#### **Operating activities**

In H2FY2018, net cash generated from operating activities amounted to S\$1,787,000. This comprised operating cash flows before changes in working capital of S\$1,222,000, net working capital inflows of S\$562,000 and interest received of S\$21,000, offset by income tax paid of S\$18,000. The net working capital inflows were due to (i) decrease in trade and other receivables of S\$398,000; and (ii) the increase in trade and other payables of S\$164,000.

#### **Investing activities**

Net cash used in investing activity of S\$7,000 was attributable to the purchase of plant and equipment.

#### **Financing activities**

Net cash generated from financing activities of S\$8,904,000 was attributed to (i) gross proceeds from issuance of new shares pursuant to IPO less share issue expenses, amounting to S\$10,284,000; offset by (ii) dividends paid, amounting to S\$1,380,000.

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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 the Group anticipates that it 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.

On 15 October 2018, the Company entered into an investment agreement with the Investor, in relation to proposed issuance of a convertible bond and proposed grant of an option to subscribe for new ordinary shares in the capital of the Company ("**Transaction**"). The Investor is a Singapore incorporated company managed and controlled by Heliconia. Heliconia is an investment company incorporated in Singapore and a wholly-owned subsidiary of Temasek. With Heliconia as a strategic investor, the Group hopes to leverage on Heliconia's value creation resources and strategic networks to facilitate the Company's growth. The Transaction was completed on 31 October 2018.

On 26 October 2018, the Company entered into a SPA with Dr Lim Tet Chen Roy, in relation to the acquisition of the entire issued and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd. by the Company. The Group believes that the acquisition brings about synergies with the Group's existing surgical businesses, where anaesthetic services are generally required. Additionally, the acquisition is another step in the Group's plans to establish a pain management centre. The Acquisition was completed on 28 November 2018.

11. **If a decision regarding dividend has been made, the required information has been disclosed.**

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

Yes. The Board has recommended a final one-tier tax exempt dividend of 0.4 Singapore cents per ordinary share (the "**Final Dividend**")

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	0.4 Singapore cents per ordinary share
Tax Rate:	Tax-exempt (one-tier)

**(b) Previous corresponding period**

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None

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hand of shareholders, this must be stated)**

The dividend is one-tier tax exempt.

- (d) The date the dividend is payable**

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

- (e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

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

- 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").

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 14. Segmented revenue and results for operating segments (of the group) presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group has only one primary business or operating segment, which is that of providing medical consultancy and services in the field of orthopaedic medicine. The assets, liabilities and capital expenditure of the Group are mainly employed in this sole reportable segment.

The Group's revenue and assets are mainly derived from Singapore; accordingly, no geographical segment information is presented.

- 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to item 8.

- 16. Breakdown of sales as follows:**



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	<b>30/09/2018</b>	<b>Group 30/09/2017</b>	<b>Increase/(Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Sales reported for the first half year	5,647	5,618	0.5%
Operating profit after tax reported for first half year	1,427	151	845.0%
Sales reported for the second half year	5,216	5,398	(3.4%)
Operating profit after tax reported for second half year	1,025	287	257.1%

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Please refer to item 11 for the Final Dividend recommended in respect of FY2018

<b>Dividends declared and paid to the Company's shareholders</b>		<b>For the year ended 30 September</b>	<b>FY2018 S\$'000</b>	<b>FY2017 S\$'000</b>
1 <sup>st</sup> interim dividend <sup>(4)</sup>	One-tier tax exempt	2018	800 <sup>(4)</sup>	- <sup>(2)</sup>
2 <sup>nd</sup> interim dividend	One-tier tax exempt	2018	580	- <sup>(2)</sup>
			1,380	- <sup>(2)</sup>
<b>Proposed dividend to the Company's shareholders but not recognised as a liability as at</b>				
			<b>30/09/2018 S\$'000</b>	<b>30/09/2017 S\$'000</b>
Final dividend			1,304 <sup>(5)</sup>	- <sup>(2)</sup>

**Note:**

<sup>(2)</sup> 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.

<sup>(4)</sup> 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**").

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<sup>(5)</sup> Consequent to the allotment and issuance of the Consideration Shares on 28 November 2018, the total issued and paid up number of ordinary shares in the capital of the Company has increased from 290,000,000 ordinary shares to 325,892,857 ordinary shares.

**18. 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:

<b>Use of proceeds</b>	<b>Allocation of Net Proceeds (as disclosed in the Offer Document) S\$'000</b>	<b>Net Proceeds utilised as at the date of this announcement S\$'000</b>	<b>Balance of Net Proceeds as at the date of this announcement S\$'000</b>
Business expansion (including organic expansion and mergers and acquisitions)	8,500	(1,000) <sup>(6)</sup>	7,500
Working capital	1,017	(1,017) <sup>(3)</sup>	–
<b>Total</b>	<b>9,517</b>	<b>(2,017)</b>	<b>7,500</b>

**Note:**

<sup>(3)</sup> The Group had utilized the net proceeds allocated to working capital for Group's monthly staff costs.

<sup>(6)</sup> Pursuant to the SPA entered into on 26 October 2018 for the acquisition of AAC, S\$1 million cash consideration was paid on 28 November 2018.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Group does not have any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**20. 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.

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**BY ORDER OF THE BOARD**

**CHIN PAK LIN**  
Executive Chairman and CEO  
29 November 2018