

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (“1H2020”)

The directors are pleased to announce the results for 1H2020. The comparative is for the financial period ended 31 March 2019 (“1H2019”). 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.

	1H2020 S\$'000	1H2019 S\$'000	increase/ (decrease) %
Revenue	6,688	5,943	12.5%
Other income	348	130	>100%
Items of expense			
Supplies and consumables used	(925)	(866)	6.8%
Purchased and contracted services	(66)	(56)	17.9%
Staff costs	(3,194)	(2,313)	38.1%
Depreciation	(338)	(17)	N/M
Other operating expenses	(994)	(1,159)	(14.2%)
Finance costs	(129)	(74)	74.3%
Profit before tax	1,390	1,588	(12.5%)
Tax expense	(123)	(209)	(41.1%)
Profit for the period, representing total comprehensive income for the period	1,267	1,379	(8.1%)
Total comprehensive income attributable to:			
Owners of the Company	1,020	1,379	(26.0%)
Non-controlling interests	247	–	100.0%
Total comprehensive income for the period	1,267	1,379	(8.1%)

N/M – Not meaningful

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

Profit before tax

Profit before tax is arrived at after including the following items:

	1H2020	1H2019
	SS'000	SS'000
Other income		
Government grants	(273)	(41)
Interest income	(73)	(89)
	<hr/>	<hr/>
Staff costs		
Contribution to defined contribution plan included in staff costs	162	117
Staff costs related to issuance of new shares pursuant to performance share plan	175	–
	<hr/>	<hr/>
Depreciation		
Depreciation of plant and equipment	35	17
Depreciation of right-of-use assets	303	–
	<hr/>	<hr/>
Other operating expenses		
Expenses for corporate exercise	191	95
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	7	6
Impairment loss:		
- Trade receivables	3	–
Operating lease expenses	–	303
	<hr/>	<hr/>
Finance costs		
Interest expense on the convertible bond	92	74
Interest expense on the lease liabilities	37	–
	<hr/>	<hr/>

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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	
	31/03/2020	30/09/2019	31/03/2020	30/09/2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Plant and equipment	322	84	21	23
Subsidiaries	–	–	37,972	12,763
Goodwill*	34,856	10,144	–	–
Right-of-use assets	1,948	–	135	–
Deferred tax assets	5	–	–	–
Total non-current assets	37,131	10,228	38,128	12,786
Current assets				
Contract assets	158	244	–	–
Trade and other receivables	3,355	2,160	3,137	5,523
Cash and cash equivalents	11,255	17,023	6,796	12,210
Inventories	192	–	–	–
Total current assets	14,960	19,427	9,933	17,733
Total assets	52,091	29,655	48,061	30,519
EQUITY				
Share capital	42,431	22,047	42,431	22,047
Other reserves	(1,876)	(1,876)	555	555
Retained earnings	1,271	3,184	65	2,996
Equity attributable to owners of the Company	41,826	23,355	43,051	25,598
Non-controlling interests	247	–	–	–
Total equity	42,073	23,355	43,051	25,598
LIABILITIES				
Non-current liabilities				
Lease liabilities	1,054	–	77	–
Deferred tax liabilities	47	11	–	–
Loans and borrowings	4,676	4,577	4,676	4,577
Total non-current liabilities	5,777	4,588	4,753	4,577
Current liabilities				
Trade and other payables	2,067	1,059	188	335
Current tax payable	1,241	551	9	9
Contract liabilities	39	102	–	–
Lease liabilities	894	–	60	–
Total current liabilities	4,241	1,712	257	344
Total liabilities	10,018	6,300	5,010	4,921
Total equity and liabilities	52,091	29,655	48,061	30,519

* Inclusive of provisional goodwill arising from the acquisition of CAH

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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.

Loans and borrowings

	31/03/2020	30/09/2019
	S\$’000	S\$’000
Unsecured borrowing – convertible bond		
Amount repayable within one year	–	–
Amount repayable after one year	5,000	5,000
Transaction costs	(45)	(45)
Net proceeds	<u>4,955</u>	<u>4,955</u>
Amount classified as equity	(555)	(555)
Amortisation of transaction cost	21	14
Finance cost	255	163
	<u>4,676</u>	<u>4,577</u>

On 15 October 2018, the Company entered into an investment agreement with an investor to issue the followings:

- a) zero-coupon convertible bond in the aggregate principal amount of S\$5,000,000 due in 2021 (“**Convertible Bond**”), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at a conversion price of S\$0.25 per share; and
- b) grant of non-listed share option to be exercised in whole or in part, carrying the right to subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per share.

On 31 October 2018, the Company completed the Convertible Bond issuance.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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.

	1H2020	1H2019
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	1,390	1,588
Adjustments for:		
Finance costs	129	74
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	7	6
Depreciation	338	17
Issuance of new shares pursuant to performance share plan	175	–
Impairment loss on trade receivables	3	–
Interest income	(73)	(89)
	<u>1,969</u>	<u>1,596</u>
Changes in:		
- trade and other receivables	37	(698)
- trade and other payables	(117)	(4)
- contract assets	114	–
- contract liabilities	(79)	–
- Inventories	(3)	–
	<u>1,921</u>	<u>894</u>
Cash generated from operations	<u>1,921</u>	<u>894</u>
Interest received	78	86
Tax paid	(388)	(242)
Net cash generated from operating activities	<u>1,611</u>	<u>738</u>
Cash flows from investing activities		
Purchase of plant and equipment	(18)	(46)
Payment for acquisition of subsidiary, net of cash acquired (Note A)	(4,092)	(892)
Net cash used in investing activities	<u>(4,110)</u>	<u>(938)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(2,933)	(1,304)
Proceeds from issuance of convertible bond	–	5,000
Payment of transaction costs related to convertible bond issuance	–	(45)
Payment of lease liabilities	(299)	–
Interest paid	(37)	–
Net cash generated (used in) / from financing activities	<u>(3,269)</u>	<u>3,651</u>
Net (decrease) / increase in cash and cash equivalents	(5,768)	3,451
Cash and cash equivalents at 1 October	<u>17,023</u>	<u>13,021</u>
Cash and cash equivalents at 31 March	<u>11,255</u>	<u>16,472</u>

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (Continued)

Note A:

Acquisition of subsidiary

On 19 February 2020, the Company acquired 51.0% issued and paid up shares in the share capital of Cornerstone Asia Health Pte. Ltd. (“CAH”).

Consideration transferred

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

	S\$'000
Cash	5,000
Equity instruments issued (104,171,380 ordinary shares)	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 S\$0.194 per share.

Total consideration transferred	(25,209)
Less: Consideration Shares	<u>20,209</u>
Cash consideration paid	(5,000)
Add: Cash and cash equivalent acquired	<u>908</u>
Net outflow of cash	<u>(4,092)</u>

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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.

Group	Attributable to owners of the Company			Non-controlling interests S\$'000	Total equity S\$'000	
	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000			Total S\$'000
At 1 October 2018	12,715	(2,431)	2,924	13,208	–	13,208
Profit for the period	–	–	1,379	1,379	–	1,379
Total comprehensive income for the period	–	–	1,379	1,379	–	1,379
<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 paid	–	–	(1,304)	(1,304)	–	(1,304)
Total transactions with owners	9,332	555	(1,304)	8,583	–	8,583
At 31 March 2019	22,047	(1,876)	2,999	23,170	–	23,170
At 1 October 2019	22,047	(1,876)	3,184	23,355	–	23,355
Profit for the year	–	–	1,020	1,020	247	1,267
Total comprehensive income for the year	–	–	1,020	1,020	247	1,267
<i>Contributions by and distributions to owners</i>						
Issuance of new shares pursuant to the acquisition of a subsidiary	20,209	–	–	20,209	–	20,209
Issuance of new shares pursuant to the performance share plan	175	–	–	175	–	175
Dividends paid	–	–	(2,933)	(2,933)	–	(2,933)
Total transactions with owners	20,384	(1,876)	(2,933)	17,451	–	17,451
At 31 March 2020	42,431	(1,876)	1,271	41,826	247	42,073

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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)

Company	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 October 2018	12,715	–	1,549	14,264
Profit for the period	–	–	1,385	1,385
Total comprehensive income for the period	–	–	1,385	1,385
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	9,332	–	–	9,332
Recognition of equity component of convertible bond	–	555	–	555
Dividends paid	–	–	(1,304)	(1,304)
Total transactions with owners	9,332	555	(1,304)	8,583
At 31 March 2019	22,047	555	1,630	24,232
At 1 October 2019	22,047	555	2,996	25,598
Profit for the year	–	–	2	2
Total comprehensive income for the year	–	–	2	2
<i>Contributions by and distributions to owners</i>				
Issuance of new shares pursuant to the acquisition of a subsidiary	20,209	–	–	20,209
Issuance of new shares pursuant to the performance share plan	175	–	–	175
Dividends paid	–	–	(2,933)	(2,933)
Total transactions with owners	20,384	–	(2,933)	17,451
At 31 March 2020	42,431	555	65	43,051

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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
Issuance of new shares pursuant to the acquisition of a subsidiary on 28 November 2018	35,892,857	325,892,857	23,268,000
Share capital as at 30 September 2019		325,892,857	23,268,000
Issuance of new shares pursuant to the acquisition of a subsidiary on 19 February 2020	104,171,380	430,064,237	50,352,559
Issuance of new shares pursuant to the performance share plan on 19 February 2020	900,000	430,964,237	50,352,559
Share capital as at 31 March 2020		430,964,237	50,352,559

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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. (Continued)

The Company had, 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, (i) 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 Adjustment Events), and (ii) 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.

No conversion of the Convertible Bond has taken place since the date of issuance.

On 28 November 2018, the Company acquired 100% issue and paid up shares in the share capital of Asian Anaesthesia Care Pte. Ltd. (“**AAC**”). Pursuant to the Completion of the acquisition, the Company issued and allotted 35,892,857 Consideration Shares. Please refer to the Company’s announcements dated 26 October 2018, 7 November 2018 and 28 November 2018 in relation to this acquisition.

On 19 February 2020, the Company acquired 51.0% issued and paid up shares in the share capital of Cornerstone Asia Health Pte. Ltd. (“**CAH**”). Pursuant to the Completion of the acquisition, the Company issued and allotted 104,171,380 Consideration Shares. Please refer to the Company’s announcements dated 5 July 2019, 2 October 2019, 4 December 2019, 23 December 2019 and 19 February 2020 in relation to this acquisition.

On 19 February 2020, the Company granted share awards to certain employees of the Group pursuant to the AHS Performance Share Plan. Pursuant to the grant, 900,000 new ordinary shares were issued and allotted in the capital of the Company to the eligible employees.

There are no shares held as treasury shares and subsidiary holdings as at 31 March 2020 and 31 March 2019.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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 31 March 2020.

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 modifications or emphasis of a matter).

Not applicable.

3(A) If the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, to include:

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Note: (a) and (b) is not required for any audit issue that is a material uncertainty relating to going concern.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 September 2019.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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.

The Group has adopted the new/revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) that are effective for the annual periods beginning on or after 1 January 2019.

Changes to the Group’s accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) Interpretations.

The following are the new or amended SFRS(I) and SFRS(I) Interpretations that are relevant to the Group:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The adoption of the above SFRS(I) and SFRS(I) Interpretations did not have any significant impact on the financial statements of the Group except for the following:

SFRS(I) 16 Leases

The Group has adopted the new SFRS(I) 16 which took effect on 1 October 2019 using the modified retrospective approach. SFRS(I) 16 introduced a single, on balance sheet lease accounting model. The rationale of the change is to better reflect the economic substance of the lease transactions by recognising a right-of-use (“ROU”) asset which represents the right to use the underlying asset and a lease liability which represents the obligation to make lease payments.

As a practical expedient, the Group has recognised the ROU assets to be equal to their lease liabilities on 1 October 2019 which amounted to S\$2.4 million.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

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.

Earnings per ordinary share:-	1H2020 cents	1H2019 cents	increase/ (decrease) %
(a) Based on the weighted average number of ordinary shares in issue; and	0.29	0.44	(34.1%)
(b) On a fully diluted basis	0.29	0.44	(34.1%)

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (Continued)

Profit attributable to ordinary shareholders

	Group	
	Number of shares	
	1H2020	1H2019
	'000	'000
Profit for the financial period	1,020	1,379
Earnings effect pursuant to the Convertible Bond	–	74
	1,020	1,453

Weighted-average number of ordinary shares

	Group	
	Number of shares	
	1H2020	1H2019
	'000	'000
Issued ordinary shares on 1 October	325,893	290,000
Effect of shares issued on 28 November 2019	–	24,257
Effect of shares issued on 19 February 2020	23,540	–
Weighted-average at 31 March	349,433	314,257
Effect of dilutive potential ordinary shares pursuant to the Convertible Bond	–	16,593
Weighted-average at 31 March on a fully diluted basis	349,433	330,850

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

The calculation of diluted earnings per share for the relevant financial periods was based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding, after adjusting the effects of all dilutive potential ordinary shares.

The diluted earnings per share computations for 1H2020 have not taken into consideration the effects of the

- (a) Convertible Bond, where up to 20,000,000 Conversion Shares at a conversion price of S\$0.25 per Conversion Share are to be issued upon conversion, as they are not “*in the money*”; and
- (b) Option Shares, carrying the right to convert and subscribe for such number of ordinary shares in the capital of the Company for an aggregate consideration of S\$5,000,000 at the exercise price of S\$0.325 per share, as they are not “*in the money*”.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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		
	31/03/2020 cents	30/09/2019 cents	increase/ (decrease) %	31/03/2020 cents	30/09/2019 cents	increase/ (decrease) %
Net asset value per ordinary share based on existing issued share capital (cents)	9.71	7.17	35.4%	9.99	7.85	27.3%

Net asset value per ordinary share is calculated by dividing the equity attributable to the owners of the Company by the number of ordinary shares issued as at the end of the relevant financial periods.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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 increased by S\$745,000 or 12.5%, mainly due to the acquisition of Cornerstone Asia Health Pte. Ltd. ("CAH") on 19 February 2020, contributing S\$1,197,000 to the Group's revenue in 1H2020.

Other income

Other income comprised mainly government grants and interest income.

Other income increased by S\$218,000, from S\$130,000 in 1H2019 to S\$348,000 in 1H2020, out of which S\$73,000 was interest income earned and S\$273,000 was government grants or incentives.

Supplies and consumables used

Expenses arising from supplies and consumables used increased by S\$59,000, or 6.8% from S\$866,000 in 1H2019 to S\$925,000 in 1H2020. The increase in purchased and contracted services was in tandem to the increase in revenue.

Purchased and contracted services

Purchased and contracted services increased by S\$10,000, or 17.9% from S\$56,000 in 1H2019 to S\$66,000 in 1H2020. The increase in purchased and contracted services was in tandem to the increase in revenue.

Staff costs

Staff costs increased by S\$881,000, or 38.1%, from S\$2,313,000 in 1H2019 to S\$3,194,000 in 1H2020. The increase in staff costs was mainly attributable to the increase in number of staff hired. The increase was mainly due to (1) the increase in number of staff hired, as the Group acquired CAH and expanding of the medical team; and (2) non-recurring share awards granted to certain employees of the Group, amounting to S\$175,000.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Registration No. 201727543R)

INCOME STATEMENT (CONTINUED)

Depreciation

Depreciation increased by S\$321,000, from S\$17,000 in 1H2019 to S\$338,000 in 1H2020, mainly due to depreciation recognised for right-of-use assets arising from adoption of SFRS(I) 16 effective from 1 October 2019, amounting to S\$303,000.

Other operating expenses

Other operating expenses decreased by S\$165,000 or 14.2%, from S\$1,159,000 in 1H2019 to S\$994,000 in 1H2020. The decrease is mainly attributed to:

- (1) The decrease in rental expenses of S\$303,000 arising from the adoption of SFRS(I) 16 effective from 1 October 2019; offset by
- (2) Stamp duty paid for the acquisition of CAH, amounting to S\$64,000;
- (3) The increase in insurance expenses, licenses and subscription fees, amounting to S\$44,000; and
- (4) The increase in other operating expenses of S\$30,000, such as hospital and facilities administrative fees and other administrative expenses.

Finance cost

Finance cost increased by S\$55,000 or 74.3%, from S\$74,000 in 1H2019 to S\$129,000 in 1H2020. The increase in finance cost comprised of (1) the interest expenses incurred on the lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 October 2019, amounted to S\$37,000; and (2) deemed interest expense on the convertible bond, amounted to S\$18,000.

Profit before tax

Profit before tax decreased by S\$198,000, or 12.5% from S\$1,588,000 in 1H2019 to S\$1,390,000 in 1H2020. The decrease was mainly due to the increase in staff costs, out of which S\$175,000 was non-recurring share awards granted to certain employees of the Group.

Tax expense

Tax expense decreased by S\$86,000, or 41.1%, from S\$209,000 in 1H2019 to S\$123,000 in 1H2020, which was in tandem to the lower profit before tax and the effect of the corporate income tax rebates.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Registration No. 201727543R)

BALANCE SHEET

As at 31 March 2020

Non-current assets

Non-current assets increased by S\$26,903,000, from S\$10,228,000 as at 30 September 2019 to S\$37,131,000 as at 31 March 2020, mainly due to provisional goodwill arising from the acquisition of CAH and recognition of right-of-use assets pertain to leases of clinic premises and corporate office, arising from the adoption of SFRS(I) 16 effective from 1 October 2019.

Non-current assets amounted to S\$37,131,000 or 71.3% of the Group's total assets. Non-current assets mainly consist of (1) goodwill of S\$34,856,000 arising from the acquisition of subsidiaries; (2) plant and equipment of S\$322,000, comprising furniture, fittings, and office equipment, renovations and computers; and (3) right-of-use assets of S\$1,948,000.

Current assets

Current assets decreased by S\$4,467,000 or 23.0%, from S\$19,427,000 as at 30 September 2019 to S\$14,960,000 as at 31 March 2020, mainly due to (1) decrease in cash and cash equivalents by S\$5,768,000 or 33.9% (for more details, refer to page 5 of this announcement for the statement of cash flows); offset by (2) increase in trade and other receivables by S\$1,195,000 or 55.3%, primarily arising from consolidating CAH's trade and other receivables of S\$1,183,000.

Current assets amounted to S\$14,960,000 or 28.7% of the Group's total assets. Current assets mainly consist of the trade and other receivables of S\$3,355,000 or 22.4% of the Group's total current assets, comprising mainly of trade receivables, deposits and other receivables; and cash and cash equivalents of S\$11,255,000 or 75.2% of the Group's total current assets.

Non-current liabilities

Non-current liabilities increased by S\$1,189,000, from S\$4,588,000 as at 30 September 2019 to S\$5,777,000 as at 31 March 2020, mainly due to recognition of lease liabilities of S\$1,054,000 arising from the adoption of SFRS(I) 16 effective from 1 October 2019.

Non-current liabilities amounted to S\$5,777,000 or 57.7% of the Group's total liabilities, consisting mainly the unsecured convertible bond of S\$4,676,000 and lease liabilities of S\$1,054,000.

Current liabilities

Current liabilities increased by S\$2,529,000, from S\$1,712,000 as at 30 September 2019 to S\$4,241,000 as at 31 March 2020, mainly due to (1) recognition of lease liabilities of S\$894,000 arising from the adoption of SFRS(I) 16 effective from 1 October 2019; (2) increase of current tax payables by S\$690,000; and (3) increase of trade and other payables of S\$1,008,000, primarily arising from consolidating CAH's trade and other payables of S\$1,232,000, out of which S\$567,000 pertains to dividend payables to non-controlling interests of CAH pursuant to dividend declared prior to the acquisition by CAH.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Registration No. 201727543R)

BALANCE SHEET (CONTINUED)

Current liabilities amounted to S\$4,241,000 or 42.3% of the Group's total liabilities. Current liabilities mainly consist of (1) trade and other payables of S\$2,067,000 or 48.7% of the Group's total current liabilities; (2) current tax payable of S\$1,241,000 or 29.3% of the Group's total current liabilities, comprising income tax payable; and (3) lease liabilities of S\$894,000 or 21.1% of the Group's total liabilities.

Equity

As at 31 March 2020, equity attributable to owners of the Company of S\$41,826,000 comprised issued and fully paid share capital of S\$42,431,000 and retained earnings of S\$1,271,000, net of other reserves of S\$1,876,000.

CASH FLOW STATEMENT

Operating activities

Net cash generated from operating activities in 1H2020 of S\$1,611,000, mainly resulted from operating cash flows before changes in working capital of S\$1,969,000 and interest received of S\$78,000, offset by net working capital outflows of S\$48,000, and income tax paid of S\$388,000.

The net working capital outflows were mainly due to (1) decrease in trade and other payables of S\$117,000; (2) decrease in contract liabilities of S\$79,000, offset by (3) decrease in trade and other receivables of S\$37,000; and (4) decrease in contract assets of S\$114,000.

Investing activities

Net cash used in investing activities in 1H2020 of S\$4,110,000 which was attributed to (1) purchase of plant and equipment of S\$18,000; (2) S\$5,000,000 of cash consideration paid for the acquisition of CAH; and offset by (3) S\$908,000 of cash and cash equivalents acquired from CAH.

Financing activities

Net cash used in financing activities in 1H2020 of S\$3,269,000 was mainly due to (1) dividend paid of S\$2,933,000; and (2) an aggregated payment of S\$336,000 for the interest paid and principal element of lease payments.

ASIAN HEALTHCARE SPECIALISTS LIMITED

(Registration No. 201727543R)

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.**

The Corona Virus Disease 2019 (“**COVID-19**”) outbreak has brought an unprecedented impact on businesses and workers around the world. However, at Asian Healthcare Specialists Limited (“**AHS**”), our focus is in sustaining our business during these challenging times and the safety and health of our employees are at the top of our priorities. Thus, in line with the Singapore Government’s efforts to look after everyone in Singapore; Management had designed a Business Continuity Plan (“**BCP**”) with an appropriate response guide in accordance to the Disease Outbreak Response System Condition (“**DORSCON**”). This framework enables 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.

UPDATE ON THE GROUP’S OPERATIONS

Dealing with a global pandemic is not something new to the Group due to the clinical experience of the senior medical specialists who have been through previous pandemics such as Severe Acute Respiratory Syndrome (“**SARS**”) while they were in the restructured hospital. Thus, the Group was able to rise up to the challenge and adjust to the fast changing circumstances to ensure business continuity. To ensure the safety of our employees and the patients that we serve, there were changes to the Group’s Operations as follows:

- (a) Starting from 23rd January 2020, the fight of COVID-19 was aligned with the Ministry of Health (“**MOH**”) and the various hospitals’ operational policies. Although the hospitals conduct screening procedures on every visitor, the Health Declaration Form (“**HDF**”) was created to use to screen all the patients prior to entering any of the clinics was implemented on 26th January 2020. The HDF was revised a few times to ensure that it was updated with accuracy whenever we receive the update of a suspect case definition from MOH.
- (b) Temperature recording was compulsory for every employee in AHS twice a day.
- (c) As the Group provides medical services, travel restrictions were immediately put in place. Firstly, all corporate travel was cancelled with immediate effect. Secondly, all employees were advised to avoid non-essential travel. All employees who intended to travel overseas should declare their travel plans to their supervisors, subjected to approval from Management. Lastly, according to MOH instructions, all health and travel declaration 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.
- (d) Appropriate disinfectants with indication of effectiveness against coronaviruses were used for disinfection of all commons surfaces and equipment on a regular basis.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (CONTINUED)

- (e) Stringent protocols were also set up and disseminated to all employees if they may be and/or to be exposed to a confirmed case of COVID-19.
- (f) Subsequently on 10th February 2020, MOH issued a guidance on movement restrictions for all healthcare workers (“**HCW**”) as they recognised the risk of cross-institutional transmission is high among the hospitals in the private sector. The movement of HCWs providing outpatient care is limited to one specialist clinic; and the provision of inpatient case is limited to one private hospital. There is an exception for doctors providing anaesthesiology services as they are to limit their inpatient practice to no more than one cluster of private hospitals. Please see the table below for the private institution clusters.

Private Institution Clusters		
Cluster 1	Cluster 2	Cluster 3
<ul style="list-style-type: none"> • Mount Elizabeth Hospital • Parkway East Hospital • Farrer Park Hospital 	<ul style="list-style-type: none"> • Mount Elizabeth Novena Hospital • Mount Alvernia Hospital • Raffles Hospital 	<ul style="list-style-type: none"> • Gleneagles Hospital • Thomson Medical Hospital • Concord International Hospital

*Table Taken from MOH Circular 20200216_Guidance on Cross-Institutional Manpower Movement in Private Institutions

We have strategically split our medical specialists into different teams to ensure that the patients will receive continuity of care in a safe environment. Currently the group has two successors in two of the four sub-speciality in the Orthopaedic segments (Adult Reconstruction and Spine). Indeed, during this period, we have successfully employed a new successor in the Anaesthesia and Sports Division which will begin in April and May 2020 respectively.

- (g) In February 2020, one of our clinics, Twin City Medical Centre, enrolled and was activated as a Public Health Preparedness Clinic (“**PHPC**”), to care with patients with respiratory symptoms. Upon enrolment, the healthcare workers will be supplied with necessary personal protective equipment (“**PPE**”) and familiarisation with appropriate care protocols according to the assessed risk and diagnosis of each patient. Recognising that PHPCs are an important line of defence during public health outbreaks, the clinic provided subsidised treatment and medications to the patients and referred them to a hospital if they are suspected to have pneumonia.
- (h) 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. In addition, MOH had provided a channel for regular supply and top-up of medical supplies.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (CONTINUED)

- (i) In complying with the Circuit Breaker (“CB”), the Corporate office was immediately instructed to be closed as the employees of the Corporate Office are classified as providing “non-essential services”. For employees who are working at the frontline, as they were previously split into teams before the CB; there was not much changes to their workflow except that they were place a roster. All the relevant information were submitted to Ministry of Trade and Industry Singapore (“MTI”) in accordance with MOH practising regulations. In addition, as part of the service continuity, during elevated safe distancing measures period, the Doctors were responsible for triaging their own patients to provide only essential services or procedures and defer all non-essential services until further notice.
- (j) Compliance, instructed to work with COVID-19 restrictions were strictly adhered to. The above measures taken were made on the basis to strike a balance with the restrictions set by MTI along with MOH practising regulations. In summary, the Group has not been any breach in compliance with any of the regulatory bodies at the latest practicable date.

As of 9th April 2020, there are a total of 559 cases who are clinically well but are still tested positive for COVID-19 being cared for in the private hospitals. AHS supports this active collaboration between public and private hospitals to transfer well and stable COVID-19 patients to the selected private hospitals so that capacity in the public sector may be freed for the management of more severe cases. While this has resulted in the drop in the provision of elective surgeries, this is a crucial period where healthcare systems are put to a strain. Therefore, as the limits on our go-to crisis-management tools become clear, it is increasingly apparent that as a healthcare company AHS needs to join the coronavirus front line. While there are no firm answers, just best judgements and countless unknowns over supply chains, volatile markets and the impact of travel bans and safe distancing; protecting employees and redeploying their unique capabilities to meet society’s immediate needs could build more loyal workforces and public good while helping to fight a global crisis. Indeed, one of our medical specialists, Dr Tan Sok Chuen has submitted her intention to volunteer to the SG Health Corps in the fight for COVID-19.

UPDATES ON THE GROUP’S BUSINESS DEVELOPMENTS

Despite the current economic conditions and barring unforeseen circumstances, the Group continues to look at growing our business through exploring synergistic business opportunities. Thus, we are pleased to announce the following:

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (CONTINUED)

- (a) Dr Lim Tian Jin joined our team at Asian Anaesthesia Services from 2nd April 2020. Prior leaving for private practice, Dr Lim was a Senior Consultant and Clinical Director of Surgical Intensive Care Unit (“SICU”) in National University Hospital (“NUH”). Dr Lim obtained his basic medical degree (“MBBS”) from the National University of Singapore (“NUS”) and graduated with Distinction in the MBBS Final Professional Examinations and was awarded Dean’s List in 1997. He was also awarded the Gold Medal Hoops Award in Obstetric & Gynaecology. He subsequently pursued his Masters of Medicine in Anaesthesiology and graduated in 2003. Specialising in intensive care medicine, Dr Lim completed his clinical fellowship at the Australian & New Zealand College of Anaesthesia in 2005. Upon completion of his fellowship, Dr Lim assumed consultant responsibilities at NUH by providing anaesthetic services for daily operations and attending consultant in SICU at NUH. In addition to providing general anaesthesia services, his special interest is in neuroanaesthesia and special techniques such as percutaneous tracheostomy.
- (b) Dr Ng Zhaowen Dennis joined our team at The Orthopaedic Centre from 2nd May 2020. Prior leaving for private practice, Dr Ng was a Consultant Orthopaedic Surgeon with the Shoulder & Elbow Division as well as the Sports Hip & Knee Division in NUH. Dr Ng obtained his basic medical degree from the NUS in 2007 and was awarded Dean’s List in AY2003/04. Subsequently, he pursued his post-graduate training in Orthopaedic Surgery and obtained his Masters in Medicine in 2013. Following which in 2015, he was coveted the Gold Medal Award by the College of Surgeons Gold Medal Award for Best Candidate for Fellowship of the Royal College of Surgeons (“FRCSEd Orth”) Examination which was held in affiliation with the Royal College of Surgeons of Edinburgh, Scotland. Specialising in Sports Surgery, Dr Ng completed his clinical fellowship at the Fowler Kennedy Sports Medicine Centre, London, Ontario, Canada in March 2017. Upon completion of his fellowship, Dr Ng assumed consultant responsibilities at NUH till April 2020. His special areas of interest includes management of sports injuries, especially arthroscopic (key-hole) surgeries of the shoulder and knee.
- (c) Lastly, AHS has incorporated a new company – Family ENT Snoring Specialists Pte. Ltd. (“FESS”), preparing for a new speciality Otorhinolaryngology. Otorhinolaryngology is a speciality within medicine that deals with the surgical and medical management of conditions of the head and neck. The common conditions include functional diseases that affect the senses and activities of eating, drinking, speaking, breathing, swallowing and hearing. The Group intends to invest in both medical talents and medical equipment, to achieve its aim to deliver best quality ENT healthcare services to its patients. The issued and paid-up share capital of FESS is S\$1.00 consisting of 1 ordinary share. The incorporation of this subsidiary is funded through internal resources and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 30 September 2020. None of the directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of FESS, other than through their respective interests (if any) in the Company.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (CONTINUED)**

FINANCIAL REVIEW

In general, the COVID-19 pandemic situation is expected to have material negative impact on the Group's financial performance for the period ending 30 September 2020. Based on a preliminary review and estimates, the financial assessments and impact on the Group from the COVID-19 pandemic situation are as follows:

- (a) Group revenue and/or profitability is expected to drop materially due to a few reasons. Firstly, there is a decline in medical tourism due to enforcements on air travel into Singapore. Secondly, Doctors are unable to provide services across all private healthcare institutions and are only allowed to perform essential (emergency) surgeries during this period. Thirdly, all residents in Singapore are encouraged to stay home and defer all non-essential visits during the CB.
- (b) While there is a general decrease in consultations and elective surgeries provided by the Group due to the restrictions during the CB period, these elective surgeries previously scheduled has been postponed to later date.
- (c) For services rendered during this period, the Group's trade receivables are still as per normal, and has not noticed any significant change in the trade receivables turnover days.
- (d) With the decline in net income, cash flow from operating activities is expected to be lower. However, there are no material uncertainty concerning AHS's ability to fulfil its near-term obligations as there has also been no material adverse impact to the Company's sources of cash or liquidity.
- (e) There are currently no significant threats for AHS to continue to operate.
- (f) The Government's support measures such as the Job Support Scheme have been helpful to ensure that the employees are all well taken care of during this difficult period. In addition, the Property Tax Rebates will mostly likely be passed down to the Group by our landlords.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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. (CONTINUED)**

LOOKING FORWARD

During this period, key priorities of the Group include ensuring that all employees remain safe and healthy as they continue to provide essential services for the patients. It is all hands on deck as the private and public healthcare system come together for a common good. As the situation remains fluid and there is a lack of certainty regarding when the pandemic will be over, the Group is unable to ascertain the full financial impact of the pandemic on the financial performance of the Group for the current financial year ending 30 September 2020. The Group will continue to monitor the situation and keep shareholders informed of any material developments as and when they arise. The Group firmly believes that with an increasing demand for healthcare services, the company will continue to diversify and invest in synergistic businesses both locally and internationally in relation to healthcare.

“The recruitment of additional medical specialists with different subspecialisations will help to ensure patients with complex medical problems receive the best care possible. With more anaesthetists, we will have an even stronger team of trusted anaesthetists to provide synergistic cover for our surgical team. As a Doctor myself, I recognise the heavy workload and stress that all healthcare workers face every day. The most important resource is our healthcare staff who have been working tirelessly to make sure that our patients, COVID-19 or otherwise, are well taken care of. I want to once again take this opportunity to thank healthcare workers for their dedication,” comments Chief Executive Officer Chin Pak Lin.

COMPLIANCE WITH SGX’s COVID-19 DISCLOSURE REQUIREMENTS

The Group wishes to state that in Section 10 of the announcement, it has made every effort to help investors make an independent assessment of the Group’s financial prospects by disclosing material information that reflects its current operational affairs and strategies taken to address the impact of COVID-19.

CAUTION IN TRADING

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they are in doubt about the actions that they should take.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared or recommended in the interest of exercising prudence amid an uncertain COVID-19 situation.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

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”).

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

Name of Interested Person	Value of interested person transactions during the financial period under review including transactions less than S\$100,000
	S\$'000
Transaction less than S\$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.	48
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.	5
Person occupying managerial position in operating subsidiary who is related to a director or the chief executive officer or substantial shareholder of the Company Winnie Lau Hui Ming, clinic manager of RSI Medical Pte. Ltd., is wife of a director and substantial shareholder of the Company.	4
Person occupying managerial position in operating subsidiary who is related to a director or the chief executive officer or substantial shareholder of the Company Chong Mei Ling Carol, clinic manager of Urology Surgery Pte. Ltd., is wife of a substantial shareholder of the Company.	9

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

14. Use of IPO proceeds

The Board refers to the Offer Document dated 12 April 2018 in connection with the Company's initial public offering ("IPO") on Catalist and wishes to provide an update on the use of net proceeds raised from the IPO (the "Net Proceeds"). As at the date of this announcement, the Net Proceeds have been utilised as follows:

Use of Net 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	(6,375) ⁽¹⁾	2,125
Working capital	1,017	(1,017) ⁽²⁾	–
Total	9,517	(7,392)	2,125

Notes:

⁽¹⁾ S\$1.0 million cash consideration was paid on 28 November 2018 in connection with the acquisition of Asian Anaesthesia Care Pte. Ltd. and S\$5.0 million cash consideration was paid on 19 February 2020 in connection with the acquisition of CAH. In addition, S\$375,000 was paid on expenses related to the acquisitions.

⁽²⁾ The Group has utilised the Net Proceeds allocated to working capital for Group's monthly staff costs.

Pursuant to the Investment Agreement with Vanda 1 Investments Pte. Ltd. on 15 October 2018, the Company received S\$5.0 million but has yet to utilise any of this amount. For more information, please refer to the Company's announcement made on 15 October 2018.

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 2020 to be false or misleading in any material aspect.

ASIAN HEALTHCARE SPECIALISTS LIMITED
(Registration No. 201727543R)

BY ORDER OF THE BOARD

CHIN PAK LIN
Executive Director and CEO
12 May 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is: 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 6966