

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The Directors of the Company are pleased to announce the unaudited consolidated results of the Group for 2H2020 and FY2020 respectively. The comparable periods are defined as 2H2019 and FY2019 respectively in this announcement.

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.

	2H2020	2H2019	increase/ (decrease)	FY2020	FY2019	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	10,246	6,262	63.6%	16,934	12,205	38.7%
Other income	703	163	>100%	1,051	293	>100%
Items of expense						
Supplies and consumables used	(1,328)	(843)	57.5%	(2,253)	(1,709)	31.8%
Purchased and contracted services	(210)	(19)	>100%	(276)	(75)	>100%
Staff costs	(4,298)	(2,546)	68.8%	(7,492)	(4,859)	54.2%
Depreciation	(545)	(18)	>100%	(883)	(35)	>100%
Other operating expenses	(1,249)	(1,131)	10.4%	(2,243)	(2,290)	(2.1%)
Finance cost	(166)	(89)	86.5%	(295)	(163)	81.0%
Share of results of associate	22	–	100%	22	–	100.0%
Profit before tax	3,175	1,779	78.5%	4,565	3,367	35.6%
Tax expense	(429)	(291)	47.4%	(552)	(500)	10.4%
Profit for the period/ year	2,746	1,488	84.5%	4,013	2,867	40.0%
Profit attributable to:						
Owners of the Company	1,565	1,488	5.2%	2,585	2,867	(9.8%)
Non-controlling interests	1,181	–	100%	1,428	–	100%
Profit for the period/ year	2,746	1,488	84.5%	4,013	2,867	40.0%

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Consolidated Statement of Comprehensive Income

	2H2020	2H2019	increase/ (decrease)	FY2020	FY2019	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period/ year	2,746	1,488	84.5%	4,013	2,867	40.0%
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Share of foreign currency translation differences of associate	(10)	–	100%	(10)	–	100%
Other comprehensive income for the period/ year, net of tax	(10)	–	100%	(10)	–	100%
Total comprehensive income for the period/ year	2,736	1,488	83.9%	4,003	2,867	39.6%
Total comprehensive income attributable to:						
Owners of the Company	1,555	1,488	4.5%	2,575	2,867	(10.2%)
Non-controlling interests	1,181	–	100%	1,428	–	100%
Total comprehensive income for the period/ year	2,736	1,488	83.9%	4,003	2,867	39.6%

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Profit before tax

Profit before tax is arrived at after the following items:

	2H2020	2H2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Other income include				
Government grants and other reliefs	(677)	(64)	(950)	(105)
Interest income	(6)	(99)	(79)	(188)
Staff costs include				
Contribution to defined contribution plan included in staff costs	248	134	410	251
Staff costs related to issuance of new shares pursuant to performance share plan	–	–	175	–
Depreciation include				
Depreciation of plant and equipment	80	18	115	35
Depreciation of right-of-use assets	465	–	768	–
Other operating expenses include				
Expenses for corporate exercise	174	135	365	230
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	6	8	13	14
Impairment loss:				
- Trade receivables	39	–	42	–
Operating lease expenses	–	154	–	457
Finance cost include				
Interest expense on the convertible bond	120	89	212	163
Interest expense on the lease liabilities	37	–	74	–
Interest expense on bank loan	9	–	9	–

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

	The Group		The Company	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Plant and equipment	608	84	147	23
Subsidiaries	–	–	37,972	12,763
Associate	8,048	–	–	–
Goodwill	35,100	10,144	–	–
Right-of-use assets	1,542	–	107	–
Deferred tax assets	6	–	–	–
Total non-current assets	45,304	10,228	38,226	12,786
Current assets				
Contract assets	172	244	–	–
Trade and other receivables	3,217	2,160	11,820	5,523
Cash and cash equivalents	9,928	17,023	3,577	12,210
Inventories	175	–	–	–
Total current assets	13,492	19,427	15,397	17,733
Total assets	58,796	29,655	53,623	30,519
EQUITY				
Share capital	46,431	22,047	46,431	22,047
Reserves	(2,084)	(1,876)	357	555
Retained earnings	2,836	3,184	1,309	2,996
Total equity attributable to owners of the Company	47,183	23,355	48,097	25,598
Non-controlling interests	711	–	–	–
Total equity	47,894	23,355	48,097	25,598
LIABILITIES				
Non-current liabilities				
Lease liabilities	824	–	54	–
Deferred tax liabilities	35	11	–	–
Loans and borrowings	4,900	4,577	4,900	4,577
Total non-current liabilities	5,759	4,588	4,954	4,577
Current liabilities				
Trade and other payables	2,964	1,059	399	335
Current tax payable	1,300	551	17	9
Contract liabilities	43	102	–	–
Lease liabilities	736	–	56	–
Loans and borrowings	100	–	100	–
Total current liabilities	5,143	1,712	572	344
Total liabilities	10,902	6,300	5,526	4,921
Total equity and liabilities	58,796	29,655	53,623	30,519

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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:

	30/09/2020	30/09/2019
	S\$’000	S\$’000
Loans and borrowings		
Amount repayable within one year	100	–
Amount repayable after one year	4,900	4,577
	<u>5,000</u>	<u>4,577</u>

On 15 October 2018, the Company entered into an investment agreement with an investor to issue zero-coupon convertible bond in the aggregate principal amount of S\$5,000,000 due in 2021 (“**2018 Convertible Bond**”). On 31 October 2018, the Company completed the 2018 Convertible Bond issuance. On 22 July 2020, the Company entered into investment agreements with investors to issue zero-coupon convertible bonds in the aggregate principal amount of S\$4,000,000 due in 2021 (“**2020 Convertible Bonds**”). On 3 August 2020, the Company completed the 2020 Convertible Bonds issuance and redeemed S\$1,000,000 of the 2018 Convertible Bond. On 3 September 2020, the investors had converted S\$4,000,000 of the 2020 Convertible Bonds into fully-paid ordinary shares in the capital of the Company (“**Conversion Shares**”), and the Company had issued and allotted 24,968,788 Conversion Shares to the investors. On 22 September 2020, the Company had redeemed the remaining S\$4,000,000 in aggregate principal amount of the 2018 Convertible Bond at the redemption price amount of the convertible bond. For more information, please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

On 27 August 2020, the Company had drawn down the bank facility of S\$5,000,000 from a bank. The tenor of the bank loan is 5 years at 2.00% per annum on monthly rests.

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

	2H2020 S\$'000	2H2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Cash flows from operating activities				
Profit before tax	3,175	1,779	4,565	3,367
Adjustments for:				
Finance cost	166	89	295	163
Amortisation of transaction costs capitalised in relation to issuance of convertible bond	6	8	13	14
Depreciation	545	18	883	35
Issuance of new shares pursuant to performance share plan	–	–	175	–
Share of results of associate	(22)	–	(22)	–
Interest income	(6)	(99)	(79)	(188)
	<u>3,864</u>	<u>1,795</u>	<u>5,830</u>	<u>3,391</u>
Changes in:				
- trade and other receivables	139	183	179	(515)
- trade and other payables	(65)	125	(182)	121
- contract assets	(14)	(170)	100	(170)
- contract liabilities	4	102	(75)	102
- inventories	17	–	14	–
Cash generated from operations	<u>3,945</u>	<u>2,035</u>	<u>5,866</u>	<u>2,929</u>
Interest received	6	109	84	195
Tax paid	(383)	(260)	(771)	(502)
Net cash generated from operating activities	<u>3,568</u>	<u>1,884</u>	<u>5,179</u>	<u>2,622</u>
Cash flows from investing activities				
Purchase of plant and equipment	(366)	(30)	(384)	(76)
Payment for acquisition of subsidiary, net of cash acquired (Note A)	–	–	(4,092)	(892)
Investment in an associate	(8,036)	–	(8,036)	–
Net cash used in investing activities	<u>(8,402)</u>	<u>(30)</u>	<u>(12,512)</u>	<u>(968)</u>
Cash flows from financing activities				
Dividends paid to owners of the Company	–	(1,303)	(2,933)	(2,607)
Proceeds from issuance of convertible bond	3,000	–	3,000	5,000
Payment of transaction costs related to convertible bond issuance	–	–	–	(45)
Payment of lease liabilities	(447)	–	(746)	–
Interest paid	(46)	–	(83)	–
Proceeds from bank loan	5,000	–	5,000	–
Redemption of convertible bond	(4,000)	–	(4,000)	–
Net cash generated from / (used in) financing activities	<u>3,507</u>	<u>(1,303)</u>	<u>238</u>	<u>2,348</u>
Net (decrease) / increase in cash and cash equivalents	(1,327)	551	(7,095)	4,002
Cash and cash equivalents at beginning of the period / year	<u>11,255</u>	<u>16,472</u>	<u>17,023</u>	<u>13,021</u>
Cash and cash equivalents at 30 September	<u>9,928</u>	<u>17,023</u>	<u>9,928</u>	<u>17,023</u>

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

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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.

Group	Attributable to owners of the Company				Total SS'000	Non- controlling interests SS'000	Total equity SS'000
	Share capital SS'000	Translation reserve SS'000	Other reserves SS'000	Retained earnings SS'000			
At 1 October 2018	12,715	–	(2,431)	2,924	13,208	–	13,208
Profit for the period	–	–	–	2,867	2,867	–	2,867
Total comprehensive income for the period	–	–	–	2,867	2,867	–	2,867
<i>Contributions by and distributions to owners</i>							
Issuance of new shares pursuant to the acquisition of a subsidiary	9,332	–	–	–	9,332	–	9,332
Recognition of equity component of convertible bond	–	–	555	–	555	–	555
Dividends declared	–	–	–	(2,607)	(2,607)	–	(2,607)
Total transactions with owners	9,332	–	555	(2,607)	7,280	–	7,280
At 30 September 2019	22,047	–	(1,876)	3,184	23,355	–	23,355
At 1 October 2019	22,047	–	(1,876)	3,184	23,355	–	23,355
Total comprehensive income for the year							
Profit for the year	–	–	–	2,585	2,585	1,428	4,013
Other comprehensive income							
Share of foreign currency translation differences of associate	–	(10)	–	–	(10)	–	(10)
Total other comprehensive income for the year	–	(10)	–	–	(10)	–	(10)
Total comprehensive income for the year	–	(10)	–	2,585	2,575	1,428	4,003
Transactions with owners, recognised directly in equity							
<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
Issuance of new shares pursuant to conversion of convertible bonds	4,000	–	–	–	4,000	–	4,000
Conversion and redemption of convertible bonds	–	–	(198)	–	(198)	–	(198)
Dividends declared	–	–	–	(2,933)	(2,933)	(961)	(3,894)
Total contributions by and distributions to owners	24,384	–	(198)	(2,933)	21,253	(961)	20,292
Changes in ownership interest in subsidiary							

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Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	244	244
Total changes in ownership interests in subsidiary	-	-	-	-	-	244	244
Total transactions with owners	24,384	-	(198)	(2,933)	21,253	(717)	20,536
At 30 September 2020	46,431	(10)	(2,074)	2,836	47,183	711	47,894

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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)

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	–	–	4,054	4,054
Total comprehensive income for the period	–	–	4,054	4,054
<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	–	–	(2,607)	(2,607)
Total transactions with owners	9,332	555	(2,607)	7,280
At 30 September 2019	22,047	555	2,996	25,598
At 1 October 2019	22,047	555	2,996	25,598
Profit for the year	–	–	1,246	1,246
Total comprehensive income for the year	–	–	1,246	1,246
<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
Issuance of new shares pursuant to conversion of convertible bonds	4,000	–	–	4,000
Conversion and redemption of convertible bonds	–	(198)	–	(198)
Dividends paid	–	–	(2,933)	(2,933)
Total transactions with owners	24,384	(198)	(2,933)	21,253
At 30 September 2020	46,431	357	1,309	48,097

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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
Issuance of new shares pursuant to conversion of convertible bonds on 3 September 2020	24,968,788	455,933,025	54,352,559
Share capital as at 30 September 2020		455,933,025	54,352,559

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On 28 November 2018, the Company acquired 100% issued 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.

On 3 September 2020, the investors had converted S\$4,000,000 convertible bonds into 24,968,788 Conversion Shares. For more information, please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

There are no shares held as treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 2019.

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.

There are no subsidiary holdings as at 30 September 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.

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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.

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 for the change is to better reflect the economic substance of

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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 approximately S\$1.5 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.

Profit attributable to ordinary shareholders

	2H2020	2H2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the financial period/ year	1,565	1,488	2,585	2,867

Weighted-average number of ordinary shares

Number of shares

	2H2020	2H2019	FY2020	FY2019
	'000	'000	'000	'000
Issued ordinary shares as at the beginning of the period/ year	430,964	325,893	325,893	290,000
Effect of shares issued on 28 November 2018	–	–	–	30,091
Effect of shares issued on 19 February 2020	–	–	64,482	–
Effect of shares issued on 3 September 2020	3,704	–	1,847	–
Weighted-average at 30 September	434,668	325,893	392,222	320,091

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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)

	2H2020	2H2019	increase/ (decrease)	FY2020	FY2019	increase/ (decrease)
Earnings per ordinary share: -	cents	cents	%	cents	cents	%
(a) Based on the weighted average number of ordinary shares in issue; and	0.36	0.46	(21.7%)	0.66	0.90	(26.7%)
(b) On a fully diluted basis	0.36	0.46	(21.7%)	0.66	0.90	(26.7%)

The calculation of basic earnings per share for the relevant financial periods/ years were 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/ years were 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. There were no dilutive potential ordinary shares being adjusted for the relevant financial periods/ years.

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		
	30/09/2020	30/09/2019	increase/ (decrease)	30/09/2020	30/09/2019	increase/ (decrease)
Net asset value per ordinary share based on existing issued share capital (cents)	cents	cents	%	cents	cents	%
	10.35	7.17	44.4%	10.55	7.85	34.4%

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 years.

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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

For FY2020 and 2H2020, revenue increased by S\$4,729,000 or 38.7% and S\$3,984,000 or 63.6%, from S\$12,205,000 to S\$16,934,000 and from S\$6,262,000 to S\$10,246,000 respectively. The increase was mainly due to the Group expanding into other new medical services, such as dermatology, family medicine, gastroenterology, ophthalmology and urology services through acquisition and new medical specialists joining the Group in FY2020.

Other income

The Group's other income for FY2020 increased by S\$758,000 from S\$293,000 to S\$1,051,000. Other income for FY2020 mainly comprised of S\$950,000 of government grants and other reliefs and S\$79,000 of interest income earned.

For 2H2020, other income increased by S\$540,000, from S\$163,000 in 2H2019 to S\$703,000. Other income for 2H2020 mainly comprised of S\$677,000 of government grants and S\$6,000 of interest income earned.

Items of expense

Supplies and consumables used

Supplies and consumables used comprise mainly expenses incurred to purchase implants, braces and drugs required for the provision of medical services.

For FY2020, expense arising from supplies and consumables increased by S\$544,000 or 31.8%, from S\$1,709,000 in FY2019 to S\$2,253,000. The increase was in tandem with the increase in revenue.

For 2H2020, expense arising from supplies and consumables increased by S\$485,000 or 57.5%, from S\$843,000 in 2H2019 to S\$1,328,000. The increase was in tandem with the increase in revenue.

ASIAN HEALTHCARE SPECIALISTS LIMITED
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INCOME STATEMENT (CONTINUED)

Items of expense

Purchased and contracted services

For FY2020 and 2H2020, purchased and contracted services increased by S\$201,000 and S\$191,000, from S\$75,000 in FY2019 to S\$276,000 in FY2020 and from S\$19,000 in 2H2019 to S\$210,000 in 2H2020 respectively. The increase was mainly due to CAH's medical practices which required relatively more laboratory tests being conducted. For FY2020 and 2H2020, purchased and contracted services arising from CAH's medical practices were S\$225,000 and S\$190,000 respectively.

Staff costs

For FY2020 and 2H2020, staff costs increased by S\$2,633,000 or 54.2% and S\$1,752,000 or 68.8%, from S\$4,859,000 in FY2019 to S\$7,492,000 in FY2020 and from S\$2,546,000 in 2H2019 to S\$4,298,000 in 2H2020 respectively. The increase was mainly due to (1) the increase in number of staff hired as the Group acquired CAH and expansion of the medical team which was also generally in tandem with the increase in revenue; and (2) non-recurring share awards granted to certain employees of the Group, amounting to S\$175,000.

Depreciation

For FY2020 and 2H2020, depreciation increased by S\$848,000 and S\$527,000, from S\$35,000 in FY2019 to S\$883,000 in FY2020 and from S\$18,000 in 2H2019 to S\$545,000 in 2H2020 respectively, 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\$768,000 in FY2020 and S\$465,000 in 2H2020.

Other operating expenses

For FY2020, other operating expenses decreased by S\$47,000 or 2.1%, from S\$2,290,000 to S\$2,243,000. The decrease was mainly attributable to:

- (1) The decrease in rental expenses of S\$457,000 arising from the adoption of SFRS(I) 16 effective from 1 October 2019; offset by
- (2) The increase in operating expenses arising from the CAH's medical practices, amounting to S\$391,000, representing approximately 5.8% of revenue generated by CAH; and

For 2H2020, other operating expenses increased by S\$118,000 or 10.4%, from S\$1,131,000 to S\$1,249,000. The increase was mainly attributable to:

- (1) The increase in operating expenses arising from the CAH's medical practices, amounting to S\$305,000, representing approximately 5.5% of revenue generated by CAH; offset by
- (2) The decrease in rental expenses of S\$154,000 arising from the adoption of SFRS(I) 16 effective from 1 October 2019.

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INCOME STATEMENT (CONTINUED)

Items of expense (continued)

Finance cost

For FY2020 and 2H2020, finance cost increased by S\$132,000 or 81.0% and S\$77,000 or 86.5%, from S\$163,000 in FY2019 to S\$295,000 in FY2020 and from S\$89,000 in 2H2019 to S\$166,000 in 2H2020 respectively. 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\$74,000 in FY2020 and S\$37,000 in 2H2020; **(2)** increased in deemed interest expense on the convertible bonds of S\$49,000 in FY2020 and S\$31,000 in 2H2020; and **(3)** interest expense on bank loan of S\$9,000 during FY2020 and 2H2020.

Share of results of associate

The Group recorded S\$22,000 share of profit of associate, which was pertaining to profits earned by an associated company, Fansipan 2 Holdings Pte. Ltd. (“**Fansipan 2**”). On 21 August 2020, the Group holds approximately 23.8% of the total number of shares in Fansipan 2, and Fansipan 2 had acquired an interest of approximately 99.9% of a medical group comprising two private hospitals located in Central Vietnam on 27 August 2020. For more information, please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

Profit before tax

For FY2020 and 2H2020, the Group recorded an increase of profit before tax which includes non-controlling interests share of profit in CAH, of S\$1,198,000 or 35.6% and S\$1,396,000 or 78.5%, from S\$3,367,000 in FY2019 to S\$4,565,000 in FY2020 and from S\$1,779,000 in 2H2019 to S\$3,175,000 in 2H2020 respectively. The increase was in tandem to the increase in revenue.

Tax expense

For FY2020 and 2H2020, income tax expense increased by S\$52,000 or 10.4% and S\$138,000 or 47.4%, from S\$500,000 in FY2019 to S\$552,000 in FY2020 and from S\$291,000 in 2H2019 to S\$429,000 in 2H2020 respectively. The increase was in tandem with the increase in profit before tax.

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BALANCE SHEET

As at 30 September 2020

Non-current assets

Non-current assets increased by S\$35,076,000, from S\$10,228,000 as at 30 September 2019 to S\$45,304,000 as at 30 September 2020, mainly due to goodwill arising from the acquisition of CAH and recognition of right-of-use assets pertaining to leases of clinic premises and corporate office, arising from the adoption of SFRS(I) 16 effective from 1 October 2019.

Non-current assets amounted to S\$45,304,000 or 77.1% of the Group's total assets. Non-current assets mainly consist of **(1)** goodwill of S\$35,100,000 or 77.5% of the Group's non-current assets, arising from the acquisition of subsidiaries; **(2)** right-of-use assets of S\$1,542,000 or 3.4% of the Group's non-current assets; **(3)** plant and equipment of S\$608,000 or 1.3% of the Group's non-current assets, comprising medical equipment, furniture, fittings, and office equipment, renovations and computers; and **(4)** investment in associate of S\$8,048,000 or 17.8% of the Group's non-current assets.

Current assets

Current assets decreased by S\$5,935,000 or 30.6%, from S\$19,427,000 as at 30 September 2019 to S\$13,492,000 as at 30 September 2020, mainly due to decrease in **(1)** cash and cash equivalents by S\$7,095,000 or 41.7% (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\$1,057,000 or 48.9% which was in tandem with the increase in revenue.

Current assets amounted to S\$13,492,000 or 22.9% of the Group's total assets. Current assets mainly consist of **(1)** cash and cash equivalents of S\$9,928,000 or 73.6% of the Group's current assets; and **(2)** trade and other receivables (comprising of trade receivables, deposits, prepayments and other receivables) of S\$3,217,000 or 23.8% of the Group's current assets.

Non-current liabilities

Non-current liabilities increased by S\$1,171,000 or 25.5%, from S\$4,588,000 as at 30 September 2019 to S\$5,759,000 as at 30 September 2020, mainly attributable to recognition of lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 October 2019 and a net increase in loans and borrowings due to drawdown of bank facility, but offset by the redemption of convertible bond.

Non-current liabilities amounted to S\$5,759,000 or 52.8% of the Group's total liabilities, consisting mainly **(1)** non-current portion of the bank loan, amounting to S\$4,900,000 or 85.1% of the Group's non-current liabilities; and **(2)** lease liabilities of S\$824,000 or 14.3% of the Group's non-current liabilities.

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BALANCE SHEET (CONTINUED)

As at 30 September 2020 (Continued)

Current liabilities

Current liabilities increased by S\$3,431,000, from S\$1,712,000 as at 30 September 2019 to S\$5,143,000 as at 30 September 2020, mainly due to **(1)** recognition of lease liabilities arising from adoption of SFRS(I) 16 effective from 1 October 2019, amounting to S\$736,000 as of 30 September 2020; **(2)** increase of current tax payables by S\$749,000 which was primarily arising from consolidating CAH's current tax payables of S\$992,000; and **(3)** trade and other payables by S\$1,905,000, primarily arising from consolidating CAH's trade and other payables of S\$1,829,000, out of which S\$961,000 was pertaining to CAH's dividend payables to non-controlling interests.

Current liabilities amounted to S\$5,143,000 or 47.2% of the Group's total liabilities. Current liabilities mainly consist of **(1)** lease liabilities of S\$736,000 or 14.3% of the Group's total current liabilities; **(2)** current tax payable of S\$1,300,000 or 25.3% of the Group's total current liabilities; and **(3)** trade and other payables of S\$2,964,000 or 57.6% of the Group's total current liabilities.

Equity

As at 30 September 2020, equity attributable to owners of the Company of S\$47,183,000, comprised of issued and fully paid share capital of S\$46,431,000 and retained earnings of S\$2,836,000, net of reserves of S\$2,084,000.

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CASH FLOW STATEMENT

FY2020

Operating activities

In FY2020, net cash generated from operating activities amounted to S\$5,179,000. This comprised operating cash flows before changes in working capital of S\$5,830,000 and interest received of S\$84,000 and net working capital inflows of S\$36,000; offset by income tax paid of S\$771,000. The net working capital inflows were due to the decrease in **(1)** trade and other receivables of S\$179,000; **(2)** contract assets of S\$100,000 and **(3)** inventory of S\$14,000; offset by the decrease in **(4)** trade and other payables of S\$182,000 and **(5)** contract liabilities of S\$75,000.

Investing activities

In FY2020, net cash used in investing activities amounting to S\$12,512,000, was attributed to **(1)** the purchase of plant and equipment of S\$384,000, mainly pertaining to renovation and purchase of medical equipment for the new ENT clinic; **(2)** investment in an associate of S\$8,036,000; **(3)** S\$5,000,000 of cash consideration paid for the acquisition of CAH; and **(4)** offset by S\$908,000 of cash and cash equivalents acquired from CAH.

Financing activities

In FY2020, net cash generated from financing activities amounted to S\$238,000, was mainly due to **(1)** proceeds from bank loan of S\$5,000,000; **(2)** proceeds from issuance of convertible bond of S\$3,000,000; offset by **(3)** dividend paid of S\$2,933,000; **(4)** an aggregated payment of S\$820,000 for the interest paid and principal element of lease payments; **(5)** redemption of convertible bond of S\$4,000,000; and **(6)** interest paid for bank loan of S\$9,000.

2H2020

Operating activities

In 2H2020, net cash generated from operating activities amounted to S\$3,568,000. This comprised operating cash flows before changes in working capital of S\$3,864,000, net working capital inflows of S\$81,000 and interest received of S\$6,000, offset by income tax paid of S\$383,000. The net working capital inflows were due to **(1)** a decrease in trade and other receivables of S\$139,000; **(2)** a decrease in inventory of S\$17,000; **(3)** an increase in contract liabilities of S\$4,000; offset by **(4)** the decrease in trade and other payables of S\$65,000; and **(5)** an increase in contract assets of S\$14,000.

Investing activities

In 2H2020, net cash used in investing activities amounting to S\$8,402,000, was attributed to **(1)** the purchase of plant and equipment of S\$366,000, mainly pertaining to renovation and purchase of medical equipment for the new ENT clinic; and **(2)** investment in an associate of S\$8,036,000.

Financing activities

In 2H2020, net cash generated from financing activities amounted to S\$3,507,000, was mainly due to **(1)** proceeds from bank loan of S\$5,000,000; **(2)** proceeds from issuance of convertible bond of S\$3,000,000; offset by **(3)** an aggregated payment of S\$484,000 for the interest paid and principal element of lease payments; **(4)** redemption of convertible bond of S\$4,000,000; and **(5)** interest paid for bank loan of S\$9,000.

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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.**

Since the outbreak of the COVID-19 in January this year, measures implemented by many countries to control the spread of the virus include lockdowns and border closures to limit the movement of people. These led to a severe contraction of the global economy, affecting different sectors to varying degrees, and is likely to continue to impact the private healthcare industry, especially on the elective medical services and visitations by foreign patients.

UPDATE ON THE GROUP'S OPERATIONS

- (a) The Health Declaration Form (“**HDF**”) was discontinued in September as it was no longer required by Ministry of Health (“**MOH**”). However, all patients were still being screened for travel history prior to their appointment with the Doctor.
- (b) The guidance issued by the MOH on 10 February 2020 limited the movements of all healthcare workers (“**HCW**”) as they recognised the risk of cross-institutional transmission was high among the hospitals in the private sector. However, this was lifted on 17 July 2020 due to the stabilisation of the number of community cases in Singapore. This allowed our HCW to care for more patients across institutions, including those who are returning for follow-up care.
- (c) One of our clinics, Twin City Medical Centre, continues to be a Public Health Preparedness Clinic (“**PHPC**”) to care for patients with respiratory symptoms as the Group recognises that PHPCs are an important line of defence and the battle against COVID-19 has not ended.
- (d) Due to the circuit breaker and travel restrictions, telemedicine platforms were implemented at all the clinics and training was provided to all HCW to adopt the new technology. Telemedicine had allowed an improved access to care and reduced exposure to illness and infections. However, the inability to physically examine patients resulted in certain specialities still requiring the patients to come down for an appointment with a Doctor.
- (e) While supply chains were not disrupted as MOH provided a channel for regular supply and top-up of medical supplies, the cost of the medical supplies have increased.

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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)

UPDATE ON THE GROUP'S OPERATIONS (CONTINUED)

- (f) The Group observes strict compliance of all COVID-19 working recommendations. The Group has not had any breaches in compliance with any of the regulatory bodies at the latest practicable date.

UPDATES ON THE GROUP'S BUSINESS DEVELOPMENTS

- (a) The Group's wholly-owned subsidiary, Family ENT Snoring Specialists Pte. Ltd., has successfully obtained the MOH clinic license – Adult & Child ENT Specialists located at 1 Farrer Park Station Road, #14-04 Singapore 217562; which commenced operation on 2 November 2020. The clinic provides services that manage the problems of the Ear, Nose and Throat (“ENT”). The clinic will be headed by our newly joined medical specialist, Dr Soon Sue Rene.
- (b) Dr Soon Sue Rene, joined the Group at Family ENT Snoring Specialists Pte. Ltd. on 2 November 2020. Prior to leaving for private practice, Dr Soon was a Consultant Otorhinolaryngologist at the ENT Department of Ng Teng Fong General Hospital (“NTFGH”), Jurong Community Hospital as well as Visiting Consultant to KK Women's and Children's Hospital. Dr Soon obtained her basic medical degree from the National University of Singapore in 2005. Subsequently, she pursued her post-graduate training in Otolaryngology and obtained her Masters in Otolaryngology in 2010. Following in 2013, she obtained her Fellowship at the Fellow of Academy of Medicine. Dr Soon is one of the doctors who has a dual clinical fellowship at the University of Alberta, Canada in 2015; Kaohsiung Chang Gung Memorial Hospital, Taiwan in 2017; and GB Morgagni Hospital, Ear Nose and Throat, Forli, Italy in 2017. Upon completion of her fellowships, Dr Soon assumed consultant responsibilities at NTFGH till October 2020. Her area of special interest includes the management of paediatric and adult ENT issues and snoring.

FINANCIAL REVIEW

COVID-19 is likely to continue to cast uncertainty over the Group's organic growth. Based on a preliminary review and estimates and barring any unforeseen circumstances, the Board of Directors (the “**Board**”) expects the Group to remain profitable at the operational level in the next reporting period and the next 12 months.

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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 0.15 Singapore cents per ordinary share (the “**Final Dividend**”)

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	0.15 Singapore cent per ordinary share
Tax Rate:	Tax-exempt (one-tier)

(b) Previous corresponding period

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Amount per Share:	0.9 Singapore cent per ordinary share
Tax Rate:	Tax-exempt (one-tier)

(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 hands 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.

Subjected 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.

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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 year under review including transactions less than S\$100,000
	S\$'000
CTS Holding Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #14-05, Connexion, Singapore 217562 by The Orthopaedic Centre (Farrer) Pte. Ltd. from CTS Holding Pte. Ltd.	96
Retina Services International Pte. Ltd. Rental of 1 Farrer Park Station Road, Unit #12-01, Connexion, Singapore 217562 by RSI Medical Pte. Ltd. from Retina Services International Pte. Ltd.	27
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 Dr Cheng Ching Li, a director and substantial shareholder of the Company.	23
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 Dr Ho Siew Hong, a substantial shareholder of the Company.	56

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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 the following four operating segments, which are its reportable segments. The Group’s CEO reviews internal management reports of each segments regularly. The following summary describes the operations in each of the Group’s reportable segments:

- Providing medical consultancy and services in the field of orthopaedic medicine (“**ORTHO**”)
- Providing anaesthetic services (“**ANAESTHESIA**”)
- Providing otorhinolaryngology services (“**ENT**”)
- Providing dermatology, family medicine, gastroenterology, ophthalmology, and urology services (“**OTHER MEDICAL SERVICES**”)

Tax expense is managed on a group basis and are not allocated to operating segments. No presentation of geographical information has been presented as the Group’s operations are mainly in Singapore. During FY2020 the Group had invested approximately S\$8.0 million in an associated company, Fansipan 2, which had acquired a medical group comprising two private hospitals located in Central Vietnam in August 2020.

The decrease in segment profit from the Group’s orthopaedic practice by S\$1,957,000 or 52.8%, was mainly due to the suspension of non-essential medical services during the COVID-19 CB period, which resulted in a drop in revenue from the Group’s orthopaedic practice by S\$2,392,000. Non-essential orthopaedic clinical services as defined by the Ministry of Health (“**MOH**”) includes management of stable sports medicine related condition, elective joint replacement surgeries for stable joint arthropathies and outpatient rehabilitation. As such, our orthopaedic medical specialists were only performing minimal procedures or surgeries that were trauma related or medically required to prevent deterioration of the patient’s condition during CB period. In comparison to the other medical services provided by the Group, orthopaedic surgeries are usually considered elective in nature, and thus was affected the most.

Despite the negative impact arising from the COVID-19 CB period, the increase in segment profit from the Group’s anaesthesia practice by S\$122,000 or 16.4%, was due mainly **(1)** the FY2019 anaesthesia’s results was for the period from 28 November 2018 to 30 September 2019 as compared to a full FY2020 results; and **(2)** a new anaesthetist joined the Group’s anaesthesia practice in April 2020.

The increase in corporate expenses by S\$302,000 or 27.8%, was due mainly **(1)** non-recurring share awards granted to certain employees of the Group, amounting to S\$175,000; and **(2)** increase in expenses for corporate exercise by S\$135,000.

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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. (Continued)

	ORTHO		ANAESTHESIA		ENT		OTHER MEDICAL SERVICES		TOTAL	
	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Revenue										
External	8,732	11,124	1,466	1,081	–	–	6,736	–	16,934	12,205
Total revenue	8,732	11,124	1,466	1,081	–	–	6,736	–	16,934	12,205
Segment Results										
Segment profit from operations	1,749	3,706	868	746	(28)	–	3,341	–	5,930	4,452
Unallocated amounts										
Corporate expenses									(1,387)	(1,085)
Share of results of associate									22	–
Profit before tax									4,565	3,367
Tax expense									(552)	(500)
Profit for the year									4,013	2,867

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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 and 14 for more details.

16. Breakdown of sales as follows:

	30/09/2020 S\$'000	Group 30/09/2019 S\$'000	Increase/(Decrease) %
Sales reported for the first half year	6,688	5,943	12.5%
Operating profit after tax reported for first half year	1,267	1,379	(8.1%)
Sales reported for the second half year	10,246	6,262	63.6%
Operating profit after tax reported for second half year	2,746	1,488	84.5%

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 FY2020

		FY2020 S\$'000	FY2019 S\$'000
Final dividend paid in respect of the previous financial year	One-tier tax exempt	2,933	1,304
Interim dividend paid in respect of the current financial year	One-tier tax exempt	–	1,303
		<u>2,933</u>	<u>2,607</u>

**Proposed dividend to the Company's shareholders
but not recognised as a liability as at**

		30/09/2020 S\$'000	30/09/2019 S\$'000
Final dividend	One-tier tax exempt	<u>684⁽³⁾</u>	<u>2,933</u>

Note:

⁽³⁾ Based on the total issued and paid up number of ordinary shares in the capital of the Company of 455,933,025 ordinary shares.

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18. Use of proceeds

Pursuant to the Company’s initial public offering (“**IPO**”) on Catalist, the Company received net proceeds from the IPO of approximately S\$9.5 million (the “**Net Proceeds**”). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as following:

Use of proceeds	Allocation of Net Proceeds (as disclosed in the Offer Document) S\$'000	Net Proceeds utilised as at the date of this announcement S\$'000	Balance of Net Proceeds as at the date of this announcement S\$'000
Business expansion (including organic expansion and mergers and acquisitions)	8,500	(8,500) ⁽⁴⁾	–
Working capital	1,017	(1,017) ⁽⁵⁾	–
Total	9,517	(9,517)	–

Note:

⁽⁴⁾ S\$1,000,000 cash consideration was paid on 28 November 2018 in connection with the acquisition of Asian Anaesthesia Care Pte. Ltd., S\$5,000,000 cash consideration was paid on 19 February 2020 in connection with the acquisition of Cornerstone Asia Health Pte. Ltd. and S\$2,125,000 cash consideration was paid on 21 August 2020 in connection with the investment in an associate, Fansipan 2 (“**Fansipan 2 Investment**”) ⁽⁶⁾. In addition, S\$375,000 was paid on expenses related to the foregoing transactions.

⁽⁵⁾ The Group had utilized the Net Proceeds allocated to working capital for Group’s monthly staff costs.

⁽⁶⁾ For more information of Fansipan 2 Investment, please refer to the announcements dated 22 July 2020, 29 July 2020, 3 August 2020, 21 August 2020, 27 August 2020 and 3 September 2020.

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

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- 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(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Please refer to item 13 for the disclosure of such person occupying managerial positions in the Company or any of its principal subsidiaries who are related to 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.

BY ORDER OF THE BOARD

CHIN PAK LIN

Executive Director and CEO

27 November 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 Mr Mah How Soon - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtqoc.com