Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Asian Healthcare Specialists Limited

Stock code: 1J3

Meeting details:
Date: 28 January 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Since the company's listing in 2018, the group has grown from 5 senior medical specialists and 4 clinics to the current network of 14 medical specialists in different divisions, 2 family physicians and 1 physiotherapist in 14 clinics in Singapore.

With the acquisition of 51% of Cornerstone Asia Health Pte. Ltd. ("CAH") in February 2020, the group now offers an extended range of medical services such as anaesthesia, dermatology, family medicine, gastroenterology, ophthalmology, orthopaedics, otorhinolaryngology, rehabilitation and urology.

(i) **As the result of the COVID-19 pandemic, how has the board/management adjusted its growth strategies, including focus areas, geographical distribution, pace and capital allocation?** CAH was acquired before the pandemic caused unprecedented disruption to businesses and global economies.

(ii) **In particular, what are the key medical specialty areas that would be management's focus?**

(iii) **How does the group differentiate itself from other listed medical groups?**

In the acquisition of Asian Anaesthesia Care Pte. Ltd. ("AAC"), the group recognised $10.14 million in goodwill out of a total consideration of $10.33 million. For CAH, the goodwill recognised was $24.96 million out of the consideration of $25.21 million. As at 30 September 2020, the carrying amount of goodwill amounted to $35.10 million.

(iv) **What guidance has the board given to management to remain prudent in its acquisitions and to structure deals in a way that would balance the risk/reward for the group and for the new doctors who join the group for the long term?**

Q2. During FY2020, and as part of the strategic collaboration with Heliconia Capital Management, the group established an investment arm, Salvia Ventures Pte. Ltd., which will set up satellite centres of healthcare excellence in the South-East Asia region.

In August 2020, the group acquired a 23.8% interest in two private hospitals located in Central Vietnam (Pacific Medical Hospitals). As noted in the message to shareholders, the two hospitals were built in 2001 and 2015, comprising 40 and 60 doctors respectively. The hospitals have a total capacity of more than 300 beds.

(i) **Would management be providing shareholders with more information on the "two private hospitals located in Central Vietnam"? Can management confirm that the two hospitals are in Tam Ky and Hoi An?**

(ii) **Does Pacific Medical Hospitals have an online presence/website?**

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(iii) **What are the social and economic factors supporting the growth of the two hospitals? Can management also elaborate further on the impact of COVID-19 on the ground in Vietnam?**

(iv) **Can management clarify the role it plays in the day-to-day and strategic function of the newly acquired hospitals given its minority interest?**

(v) **In addition, what is management's ability to value-add to Pacific Medical given that the group does not have expertise in running hospitals, and may be unfamiliar with local practices, demographics, culture and language?**

Q3. The attendance of directors is shown on page 34 of the annual report and reproduced below.

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

(Source: company annual report)

As disclosed in the footnote to the table, Mr Vikram Nair was not able to attend the scheduled board, ARMC, NC and RC meetings in one instance due to unforeseen circumstances. The company stated that Mr Vikram Nair provided his comments on the matters to be discussed to management, the board committees and the board.

The biography of Mr Vikram Nair can be found on page 10. Mr Vikram Nair was first appointed to the board on 28 March 2018. He is presently a partner at a large law firm, heading its India desk, and is also a Member of Parliament.

(i) **Can the company/company secretary confirm that the absent director did not participate in the board/board committee meetings via telephone and/or video conference even though this is provided for in the company's constitution?**

(ii) **How effective was the remuneration committee (RC) when the chairman was absent for the sole RC meeting held in the year?**

(iii) **How far ahead were board and board committee meetings scheduled?**

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(iv) **How can the company and the company secretary work together with the directors to schedule the board and board committee meetings so that directors are able to attend the meetings and better contribute to the effectiveness of the board?**

The attendance of directors for FY2019 was shown on page 31 of the 2019 annual report. It can be seen that Mr Vikram Nair did not attend 1 board meeting and 1 ARMC meeting. The company stated that this was "*due to unforeseen circumstances*".

FY2019

		BOARD COMMITTEES		
NAME OF DIRECTORS	**BOARD**	**ARMC**	**NC**	**RC**
Number of Meetings held	2	2	1	1
Dr Chin Pak Lin	2	2*	1*	1*
Dr Yue Wai Mun	2	2*	1*	1*
Mr Paul Leow	2	2	1	1
Mr Ryan Siek	2	2	1	1
Mr Vikram Nair	1**	1**	1	1

(Source: 2019 annual report)

Mr Vikram Nair was appointed to the board in March 2018 and attended all board and board committee meetings for FY2018. In FY2019 and FY2020, his attendance rate was 67% and 33% respectively.

In the past two FYs, Mr Vikram Nair has been unable to attend board and board committee meetings due to "unforeseen circumstances".

(v) **Would Mr Vikram Nair help shareholders understand if he is willing and able to commit sufficient time, energy and attention to the affairs of the group to effectively contribute as a director, given his other principal commitments as a partner in a large law firm and as a member of parliament?**

(vi) **How does the nominating committee evaluate a director's effectiveness, including his/her availability to commit time and attention to the affairs of the group, taking into consideration his/her principal commitments?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)

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companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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