

SHAREHOLDER NEWSLETTER AUGUST 2019

DEDICATED TO



#TheAAK



AHMED AL-KADI
PRIVATE HOSPITAL
Excellence In Healthcare

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MESSAGE FROM CHAIRMAN OF THE BOARD

Peace and Blessings be upon you all.

This year has seen an increase in our occupancies as compared to last year. We have also seen record occupancies for the month of August. The hospital is, no doubt moving in a positive trajectory.

Every effort is made to attract more specialists to AAK hospital. To complement our existing specialists we are looking at attracting doctors in the field of Ophthalmology and ENT. This will assist with the utilization of our Day beds and our theaters, which are presently not utilized to its maximum capacity.

The reports below will give you a better understanding of the efforts of management and staff at the hospital. We look forward to your continued support and encourage shareholders to utilize AAK Hospital when required as well as encourage family and friends to support your facility.

I would like to thank members of the board, management and staff for their efforts in trying to make AAK Hospital the destination of choice in the greater Durban area.

Thanking you.

Dr. Ayooob Moosa Bux

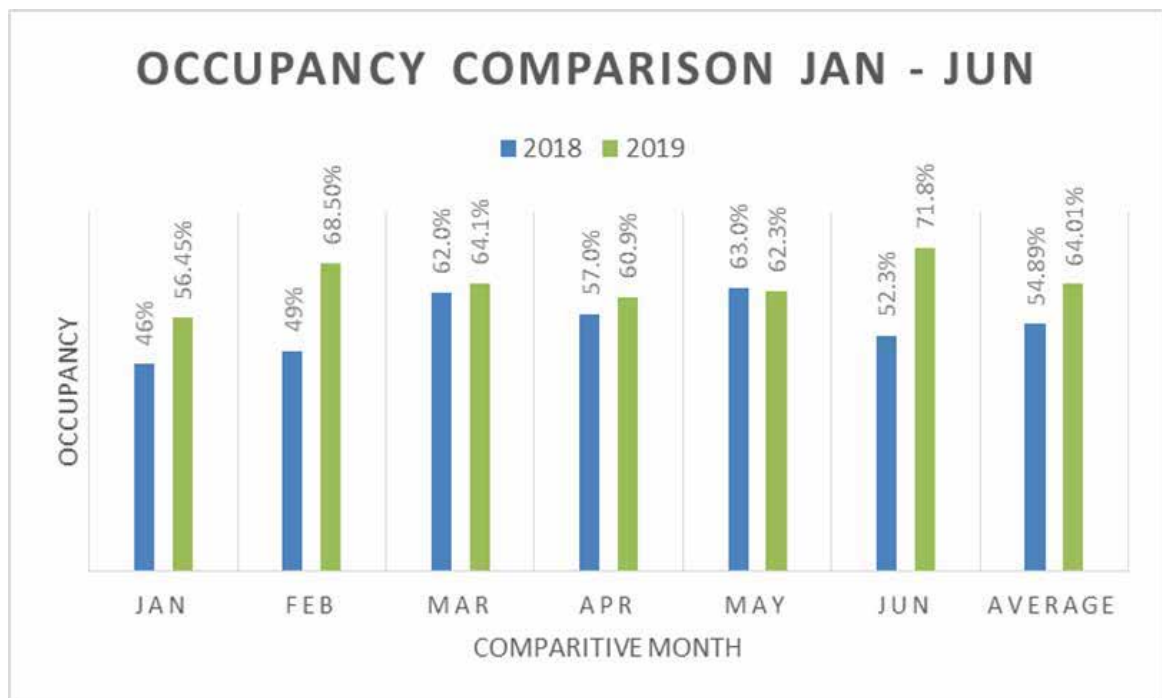


From left: Prof Jayanthilall Sarjoo Bagratee, Mr Cassim Rashid Moosa, Mr Mahomed Asif Abdool Sakoor Essa, Mr Haroun Pochee, Dr Ayooob Moosa Bux, Dr Imtiaz Ebrahim Osman, Mr Abdool Gaffoor Suliman Osman, Mr Mohammed Goolam Hoosen Mehtar, Mr Shabir Ahmed Essop Chohan, Dr Muhammad Imraan Khan, Mr Suleman Goolam Hoosen Suleman, Prof Imtiaz Ahmed Suleman Vally

FINANCIAL HIGHLIGHTS

Unaudited financial results for the four months ending 30 June 2019 reflect a positive start to the year with Revenue growing by 33% to R73 million (2018: R55 million). EBITDA increased from R1.5 million to R8 million. This is mainly due to a 21% increase in revenue per paid patient day and a 10% increase in patient days.

The first half of 2019 has seen steady growth in occupancy with an average occupancy for the period of 64%. The graph below illustrates the monthly occupancy in 2019 with the prior comparative period of 2018.



In May 2019, a new loan with a repayment period of 10 years was raised and the proceeds was utilised to settle the existing shorter term loans. The restructure of the debt has resulted in lower instalments for the first two years, which assisted in improving liquidity.

DIVIDEND DECLARATION

The Hospital has seen significant growth in 2018 / 2019 financial year as well as in the current period.

The AAK Hospital is, however still in a growth phase and the focus is on increasing surgical admissions and utilisation of the operating theatres. New hospitals take between three to five years to generate profits. In view of the growth and progress achieved thus far shareholders' investment is laying the foundation for future sustainability and the payment of dividends.

There are various factors which influence the dividend decision of a company. These include amongst others profitability, retained reserves, need for capital for the company's growth, debt and liquidity. The Companies Act further sets out requirements regarding solvency and liquidity which must be met before any distribution can be made to shareholders.

Having considered these factors, the Board of Directors do not anticipate declaring a dividend for at least the next two years depending on the company meeting the requirements of the Companies Act and the factors mentioned above.

ANNUAL GENERAL MEETING FEEDBACK



From left: Mr Abdool Gaffoor Suliman Osman, Dr Ayoob Moosa Bux, Mr Mohammed Goolam Hoosen Mehtar, Mr Suleman Goolam Hoosen Suleman

Following the Annual General Meeting held in February 2019, the Board of Directors have appointed the Audit committee as well as the Social and Ethics committee. In addition other committees were formed to complete the crucial components required for structured management of our facility.

The respective committee members are:

EXCO

- Dr AM Bux (Chairman)
- Mr G Osman (Vice Chair)
- Mr MGH Mehtar
- Mr SGH Suleman

Audit committee

- Professor IAS Vally (Chairman)
- Mr AGS Osman
- Mr H Pochee

Social and Ethics committee

- Dr MI Khan (Chairman)
- Mr CR Moosa
- Mr MAAS Essa

HR Sub Committee

- Mr S Chohan (Chairman)
- Mr MGH Mehtar
- Mr SGH Suleman

Risk & Quality Assurance

- Prof JS Bagratee (Chairman)
- Dr AM Bux
- Dr IE Osman
- Prof IAS Vally

Doctors Forum

- Dr AM Bux (Chairman)
- Prof JS Bagratee
- Dr MI Khan
- Dr IE Osman

An email address has been created to provide a platform for shareholders to communicate with the Board of Directors, this was circulated earlier in the year: ***shareholders@aakh.co.za***

We would like to remind you to update and / or confirm your contact details with the share transfer secretary so as to ensure that you receive all shareholder communication.

Please contact Faizal Suleman and Associates should you wish to purchase and / or sell shares, his office maintains a record of available shares.

Share transfer secretary

Faizal Suleman and Associates

Email address: fsa3@fsulemanca.co.za

Contact number. (031) 207 5830

MR AHMED DOCRAT RETIREMENT:

Mr. Ahmed Docrat, the Hospital Manager since inception of this facility, has decided to retire from his present position. Mr Docrat has played a pivotal role in the development and commissioning of Ahmed Al-Kadi Private Hospital.

The Board of Directors wish to place on record our heartfelt appreciation for his service and commitment. We wish him well on his retirement.

Interim manager

Ms Zaheera Kolia, Financial Manager, will be managing the hospital until this role is filled. Zaheera can be contacted on 031 4923413 or ZKolia@aakh.co.za

DOCTOR NEWS:

The AAK Hospital has embarked on marketing our specialists to the doctors in Ladysmith, Port Shepstone and Umzinto by hosting specialized Continuous Medical Education (CME) meetings in these areas. Our focus has been on promotion of our Orthopaedic, Neurology and Neurosurgery disciplines in the areas, ultimately promoting our theatre utilization. Hosting a CME show cases our specialists to the specialists and general practitioners in the areas and opens the doors for networking of our specialists and referrals.

The AAK Hospital has committed to hosting the Durban Independent Practitioners Association's (DIPA) weekly Journal Club Meetings. This weekly meeting is a partnership between DIPA and the AAK Hospital. The meeting is popular and attended by approximately 40 doctors per week. The AAK Hospital utilizes this platform for marketing of our specialists to the general practitioners of this association

HOSPITAL EXPANSION:

The hospital is currently undergoing construction of four additional doctor suites and this is expected to be completed by the end of October, God willing. The suites will be occupied by Prof IE Goga, Specialist Orthopaedic Surgeon, Prof A Bhigjee, Specialist Neurologist, Dr H Bacus, Specialist Physician and Endocrinologist, Dr K Singh, Specialist Urologist.

A much needed expansion of our theatre complex is expected to begin at the latter part of this year. This will provide the theatre users and our theatre staff better operational efficiencies

HYBRID CATH LAB:

The AAK Hospital was awarded a license to develop a Hybrid Cath Lab. This facility will complement the services offered by the AAK Hospital to our patients and doctors. The Directors and Management are currently in the planning phase of this project and will keep shareholders posted on this high tech facility.

A Hybrid Catheterisation Lab is a facility housing advanced medical imaging equipment; used to optimally provide minimal invasive cardiac, endovascular and neurosurgical investigation support and diagnosis.

The marketing department of the AAK Hospital has been working diligently at growing the brand of this facility to a professional and public audience. Various public healthcare marketing activities hosted thus far for the year include:

AAK HOSPITAL'S ANNUAL PREGNANCY AWARENESS DAY

The AAK Hospital's Annual Pregnancy Awareness day was held in February with the support of various stakeholders and sponsors, to ensure that the attendees had an educational and bumper packed day.



SANBS BLOOD DRIVE

SANBS hosts a Blood drive at the AAK Hospital every 3 months. The AAK hosted 2 blood drives already for 2019 – March and June. Look out for our adverts on social media for the next drive in September..



HEALTHY LIVING WITH THE AAK

April is World Health Month. The AAK hospital hosted a public open day – Healthy Living with the AAK. The event was supported by talks offered by resident healthcare professionals, healthy food demos, Discovery Vitality Fitness and Health Assessments, health screenings and a number of health exhibitors. We are appreciative of the support eagerly offered by our resident healthcare professionals and stakeholders.



MEN'S HEALTH EVENT

In June The AAK Hospital hosted a Men's Health event at the CR Swart headquarters in support of Mens Health Month. Resident Urologist Dr Aslam Bhorat joined the marketing team, providing a talk to our civil servants in the police force on the importance of prostate screening and prostate health. We thank Lancet Laboratories for jumping on board with free prostate screenings to qualifying police officers



SCHOOL ED!

At the AAK Hospital, we hold health education of children in high esteem. This year we have hosted two schools!

Mariam Bee Sultan Pre School joined us with 35 pre-school learners at our facility. The importance of good Handy Hygiene practice, head injury awareness and road safety was emphasized by our Clinical Facilitator and Emergency Department Unit Manager, with the support of Rescue Care Ambulance Services.



Islaahul Muslimaat hosted our team in June this year for the very first time with our teams providing the talks as above to these young girls.



INTERNATIONAL NURSES DAY

One of the biggest events in the calendar is International Nurses Day on the 12 May. Thank you to our nurses for their hard work, dedication, commitment and for providing the best care always.



JUST FLYING IN!

On the 12th February the AAK Hospital received our very first Air Ambo transfer with a patient flown in from Port Shepstone via the Netcare Rescue 911 Heli Ambulance. This maiden transfer was successful and we have subsequently received numerous transfers.



ACCOLADES

We are pleased to announce the AAK hospital has been voted as one of the Top 20 Hospitals in South Africa for 2018! This is based on the Discovery patient scores. We thank our staff, doctors and support services for helping us reach this prestigious accolade for the second year since our opening in 2017!

THANK YOU!

for choosing us

AS ONE OF YOUR

TOP 20

HOSPITALS IN SOUTH AFRICA

2017 & 2018

#TheAAKHospital

AAK has been recognised as one of the Top 20 Hospitals Nationally for achieving the highest Discovery Health Patient Experience Survey (PaSS) scores for 2018.

We say thank you to our healthcare professionals and our amazing team of staff for their commitment in ensuring Excellence in Healthcare.



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