

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

PART (I) - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF-YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

UNAUDITED HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED	Group		
	6 months ended		
	30.06.2022 S\$'000	30.06.2021 S\$'000	Increase/ (Decrease) %
Revenue	328	185	77.3%
Cost of sales	(99)	(8)	1,137.5%
Gross profit	229	177	29.4%
Other operating income	84	1,981	(95.8)%
Selling and distribution expenses	(577)	(195)	195.9%
Administrative expenses	(1,924)	(1,877)	2.5%
Other operating expenses	-	(18)	(100.0)%
Finance expenses	(42)	(32)	31.3%
(Loss)/Profit before tax	(2,230)	36	(6,294.4)%
Tax credit	2	2	0.0%
(Loss)/Profit for the financial period	(2,228)	38	(5,963.2)%
Other comprehensive income, net of tax			
<i>Item that may be reclassified subsequently to profit or loss, net of tax</i>			
Exchange differences on translation of foreign operation	*	3	(100.0)%
	-	3	(100.0)%
Total comprehensive (loss)/income for the financial period	(2,228)	41	(5,534.1)%
(Loss)/Profit attributable to:			
Equity holders of the Company	(2,228)	75	(3,070.7)%
Non-controlling interests	-	(37)	(100.0)%
	(2,228)	38	(5,963.2)%
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(2,228)	78	(2,956.4)%
Non-controlling interests	-	(37)	(100.0)%
	(2,228)	41	(5,534.1)%

*Amount is less than S\$1,000

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period (Cont'd)

(Loss)/Profit before tax is arrived at after (charging)/crediting the following:

NOTES TO THE UNAUDITED HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED	Group		
	6 months ended		
	30.06.2022 S\$'000	30.06.2021 S\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(111)	(60)	85.0%
Depreciation of right-of-use assets	(242)	(185)	30.8%
Amortisation of intangible asset	(9)	(9)	0.0%
Interest expense on lease liabilities	(42)	(32)	31.3%
Employee benefits expenses	(1,460)	(1,155)	26.4%
Gain on sale of leasehold land and building	-	1,884	(100.0)%

There are no material related party transactions apart from those disclosed elsewhere in the half-year financial statements for the periods ended 30 June 2022 and 30 June 2021.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT	Group		Company	
	30.06.2022 S\$'000	31.12.2021 S\$'000	30.06.2022 S\$'000	31.12.2021 S\$'000
Current assets				
Inventories	446	317	25	25
Trade and other receivables	1,123	1,007	3,236	1,979
Cash and cash equivalents	1,325	3,667	1,089	3,628
	2,894	4,991	4,350	5,632
Non-current assets				
Property, plant and equipment	629	716	183	233
Right-of-use assets	1,307	1,519	300	386
Investment in subsidiaries	-	-	1,150	1,150
Intangible asset	28	37	-	-
Goodwill on consolidation	267	267	-	-
Other non-current assets	10	10	-	-
	2,241	2,549	1,633	1,769
Total assets	5,135	7,540	5,983	7,401
Current liabilities				
Lease liabilities	550	439	213	213
Trade and other payables	316	305	182	207
Provision for other liabilities	4	4	-	-
Income tax payable	1	1	-	-
	871	749	395	420
Non-current liabilities				
Provision for reinstatement costs	31	31	-	-
Lease liabilities	805	1,103	114	190
Deferred tax liabilities	285	286	280	280
	1,121	1,420	394	470
Total liabilities	1,992	2,169	789	890
Net assets	3,143	5,371	5,194	6,511
Equity				
Share capital	42,745	42,745	42,745	42,745
Accumulated losses	(39,539)	(37,311)	(37,551)	(36,234)
Other reserves	7	7	-	-
Total equity attributable to equity holders of the Company	3,213	5,441	5,194	6,511
Non-controlling interests	(70)	(70)	-	-
Total equity	3,143	5,371	5,194	6,511

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

The Group does not have any borrowings and debt securities as at 30 June 2022 and 31 December 2021.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED	Group	
	6 months ended	
	30.06.2022 S\$'000	30.06.2021 S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(2,230)	36
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	111	60
- Depreciation of right-of-use assets	242	185
- Amortisation of intangible asset	9	9
- Interest expense on lease liabilities	42	32
- Gain on sale of leasehold land and building	-	(1,884)
Operating cash flows before changes in working capital	(1,826)	(1,562)
<i>Changes in working capital:</i>		
- Inventories	(129)	(227)
- Trade and other receivables	(116)	(141)
- Trade and other payables	11	(1,228)
Net cash used in operations	(2,060)	(3,158)
Interest paid	(42)	(32)
Net cash used in operating activities	(2,102)	(3,190)
Cash flows from investing activities		
Purchase of property, plant and equipment	(24)	(564)
Proceeds from sale of leasehold land and building	-	9,500
Net cash (used in)/generated from investing activities	(24)	8,936

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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 period. (Cont'd)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED	Group	
	6 months ended	
	30.06.2022 S\$'000	30.06.2021 S\$'000
Cash flows from financing activity		
Repayment of principal portion of lease liabilities	(216)	(174)
Net cash used in financing activity	(216)	(174)
Net (decrease)/increase in cash and cash equivalents	(2,342)	5,572
Cash and cash equivalents at beginning of financial period	3,667	619
Cash and cash equivalents at end of financial period	1,325	6,191

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

1(d)(i) Statements (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	Share capital	Other reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022	42,745	7	(37,311)	5,441	(70)	5,371
Total comprehensive loss for the period	-	-	(2,228)	(2,228)	-	(2,228)
Balance at 30 June 2022	42,745	7	(39,539)	3,213	(70)	3,143
Balance at 31 December 2020	42,745	7,882	(43,480)	7,147	(33)	7,114
SFRS(l) 3 Adjustment	-	-	(14)	(14)	-	(14)
Balance at 1 January 2021 (Restated)	42,745	7,882	(43,494)	7,133	(33)	7,100
Total comprehensive income/ (loss) for the period	-	3	75	78	(37)	41
Balance at 30 June 2021	42,745	7,885	(43,419)	7,211	(70)	7,141

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022	42,745	-	(36,234)	6,511
Total comprehensive loss for the period	-	-	(1,317)	(1,317)
Balance at 30 June 2022	42,745	-	(37,551)	5,194
Balance at 1 January 2021	42,927	7,697	(43,428)	7,196
Total comprehensive income for the period	-	-	485	485
Balance at 30 June 2021	42,927	7,697	(42,943)	7,681

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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

SHARE CAPITAL

The total number of issued shares were 933,802,074 as at 30 June 2022 and 31 December 2021.

TREASURY SHARES

The Company did not have any outstanding treasury shares as at 30 June 2022 and 31 December 2021.

SUBSIDIARY HOLDINGS

The Company did not have any subsidiary holdings as at 30 June 2022 and 31 December 2021.

WARRANTS

The total number of issued warrants were 77,535,407 as at 30 June 2022 and 31 December 2021.

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

The total number of issued shares excluding treasury shares were 933,802,074 as at 30 June 2022 and 31 December 2021.

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

Not applicable. The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

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.

Not applicable. The Company did not have any subsidiary holdings as at 30 June 2022 and 31 December 2021.

2 Corporate information

The Company (Registration No. 198403368H) is incorporated and domiciled in Singapore as a limited liability company and is listed on Catalist, the sponsor-supervised board of Singapore Exchange Securities Trading Limited.

The registered office of the Company is located at 8 Temasek Boulevard, #23-02 Suntec Tower Three, Singapore 038988. The principal place of business of the Company is located at 8 Commonwealth Lane, #02-04, Singapore 149555.

These half-year financial statements for the period ended and as at 30 June 2022 comprise the Company and its subsidiaries (collectively known as the "Group").

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

2 Corporate information (Cont'd)

The principal activities of the Group are that of investment holding, provision of healthcare and childcare services. The principal activities of the subsidiaries are:

- (a) investment holding and management consultancy services for healthcare organisations;
- (b) investment holding, nurseries and kindergartens;
- (c) hospital products management, medical technology, biotechnology, technology development and health management consulting;
- (d) child care services for pre-school children; and
- (e) conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical devices such as HIFU machines and other medical equipment.

3 Basis of preparation

The half-year financial statements of the Group for the period ended and as at 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. These half-year financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The financial statements are presented in Singapore Dollars (SGD or S\$), which is the functional currency of the Company. All values in the tables are rounded to nearest thousand (S\$'000), except when otherwise indicated.

4 Use of judgements and estimates

In preparing the half-year financial statements of the Group for the period ended and as at 30 June 2022, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next interim period are included below:

i) Impairment assessment on goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

4 Use of judgements and estimates (Cont'd)

ii) Impairment on investment in subsidiaries

The recoverable amount of the investment in subsidiaries is reviewed at the end of each reporting period to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is determined on the basis of the net recoverable amount to determine the extent of the impairment loss.

iii) Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

6 Segment information

(a) Products and services from which reportable segments derive their revenues

The Group operates in the following segments, (i) rental of property and corporate; (ii) childcare wellness education; and (iii) healthcare products and services.

Segment revenue represents revenue generated from external customers. Segment results represent the profit earned by each segment without allocation of interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible assets and financial assets attributable to each segment.

(b) Segment revenues and results

	Type	Timing of revenue recognition	6 months ended			
			30.06.2022		30.06.2021	
			Revenue	%	Revenue	%
Group			S\$'000	%	S\$'000	%
Rental of property and corporate	Rental income	Over-time	3	0.9	25	13.5
Childcare wellness education	Childcare income	Over-time	77	23.5	159	85.9
Healthcare products and services	Sale of goods	At a point in time	248	75.6	1	0.6
Total			328	100.0	185	100.0

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6 Segment information (Cont'd)*(b) Segment revenues and results (Cont'd)*

The Group's revenue was derived from rental of property, childcare services, and sales of healthcare products and services, all of which operate in Singapore. There were no inter-segment sales during the periods ended 30 June 2022 and 30 June 2021.

	6 months ended			
	30.06.2022		30.06.2021	
	Results		Results	
	S\$'000	%	S\$'000	%
Group				
Rental of property and corporate	(1,325)	59.5	407	1071.1
Childcare wellness education	(158)	7.1	(31)	(81.6)
Healthcare products and services	(745)	33.4	(338)	(889.5)
Total	(2,228)	100.0	38	100.0

As at 30 June 2022 and 31 December 2021, the allocation of the Group's total assets and liabilities to the reportable segments are as follows:

	Rental of property and corporate	Childcare wellness education	Healthcare products and services	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>As at 30 June 2022</u>				
Assets				
Segment assets	2,571	468	2,096	5,135
Liabilities				
Segment liabilities	(756)	(281)	(955)	(1,992)
<u>For the period ended 30 June 2022</u>				
Other information				
Depreciation	170	52	131	353
Amortisation	-	9	-	9
<u>As at 31 December 2021</u>				
Assets				
Segment assets	4,854	770	1,916	7,540
Liabilities				
Segment liabilities	(854)	(318)	(997)	(2,169)
<u>For the period ended 30 June 2021</u>				
Other information				
Gain on sale of leasehold land and building	(1,884)	-	-	(1,884)
Depreciation	161	49	35	245
Amortisation	-	9	-	9

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

7 Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets</u>				
<i>At amortised cost</i>				
Trade and other receivables	1,123	1,007	3,236	1,979
Cash and bank balances	1,325	3,667	1,089	3,628
	<u>2,448</u>	<u>4,674</u>	<u>4,325</u>	<u>5,607</u>
<u>Financial liabilities</u>				
<i>At amortised cost</i>				
Lease liabilities	1,355	1,542	327	403
Trade and other payables	316	305	182	207
	<u>1,671</u>	<u>1,847</u>	<u>509</u>	<u>610</u>

8 Taxation

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual losses. The major components of income tax credit in the half-year financial statements for the periods ended 30 June 2022 and 30 June 2021 are as follows:

	Group	
	30.06.2022	30.06.2021
	S\$'000	S\$'000
	6 months ended	
Current income tax expense	-	-
Deferred tax income relating to origination and reversal of temporary differences	(2)	(2)
Tax credit	<u>(2)</u>	<u>(2)</u>

9 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the auditors.

10 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable. These figures have not been audited or reviewed by the auditors.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

10(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.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group and the Company have received an unmodified audit opinion in the recent audited financial statements.

11 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period which are consistent with those described in the audited financial statements for the financial year ended 31 December 2021, except for those as disclosed under paragraph 12.

12 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.

In the current financial period, the Group and the Company has adopted all the applicable new/revised SFRS(I)s which became effective during the year. There is no material impact on the Group’s financial statements upon the adoption of these SFRS(I)s.

13 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	6 months ended	
	30.06.2022	30.06.2021
(Loss)/Earnings Per Share attributable to shareholders of the Group		
(Loss)/Profit per ordinary share of the group, after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue	(0.24)	0.01
- Weighted average number of shares	933,802,074	933,802,074
(b) On a fully diluted basis	(0.24)	0.01
- Weighted average number of shares	933,802,074	933,802,074

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

- 14 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30.06.2022	As at 31.12.2021	As at 30.06.2022	As at 31.12.2021
Net asset value per ordinary share based on issued share capital (cents):	0.34	0.58	0.56	0.70

- 15 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.

REVIEW OF TURNOVER, COSTS AND EARNINGS**Revenue**

The Group's revenue has increased by S\$0.14 million from S\$0.18 million in the 6-month ended 30 June 2021 ("1H2021") to approximately S\$0.33 million in the current 6-month period ended 30 June 2022 ("1H2022"). The increase was primarily due to more revenue being generated from the Group's healthcare products and services segment under AJJ Healthcare Management Pte. Ltd. of S\$0.25 million in 1H2022 as compared to the corresponding period in prior year of S\$0.001 million. This is offset by the drop in revenue of the childcare wellness education segment under Discovery Kidz Preschool Pte Ltd from S\$0.16 million in 1H2021 to S\$0.08 million in 1H2022. In the second half of 2021, due to COVID-19 restrictions, many parents that were working from home withdrew the students from the school and this adversely impacted the student headcount and revenue structure of the childcare wellness education segment. Rental of property and corporate segment of S\$0.02 million in 1H2021 were from rental income of a leasehold building. The building was sold off in 2H2021 and there is no rental income generated in the current period, 1H2022 which resulted in the decrease of the revenue of the rental of property and corporate segment as compared to 1H2021.

Other operating income

Other operating income has decreased by S\$1.9 million from S\$1.98 million in 1H2021 to S\$0.08 million in 1H2022. The decrease was mainly due to the one-off gain on sale of leasehold land and building amounting to S\$1.88 million generated in 1H2021 and there is no similar significant one-off gain recorded in 1H2022. The S\$0.08 million in 1H2022 is mainly from government grants.

Selling and distribution expenses

Selling and distribution expenses have increased by S\$0.38 million from S\$0.20 million in 1H2021 to S\$0.58 million in 1H2022. The increase mainly comprises the increase in selling and distribution expenses incurred in relation to the employee salary expenses for the addition of new sales personnel and representatives for the Group's healthcare sector under AJJ Healthcare Management Pte. Ltd.

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Administrative expenses

The Group's administrative expenses in 1H2022 have remained largely constant as compared to 1H2021 with a slight increase from S\$1.88m to S\$1.92m attributable to increase in the operating expenses of the Group's healthcare products and services segment as revenue in this segment has increased considerably, more resources were used.

Other operating expenses

No other operating expenses were incurred in 1H2022 as compared to S\$0.02 million in 1H2021. 1H2021's other operating expenses of S\$0.02 million pertains to property tax and repair and maintenance expenses incurred for the Aljunied Building which has been sold in 2021.

Finance costs

Finance costs of the Group has increased by S\$0.01 million from S\$0.03 million in 1H2021 to S\$0.04 million in 1H2022. The increase was mainly pertaining to the increase in the interest on lease liabilities.

Loss for the financial period (attributable to equity holders of the Company)

As a result of all the above, the Group has recorded losses of S\$2.23 million in 1H2022.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES**Current assets**

Current assets have decreased by S\$2.1 million, from S\$4.99 million as of 31 December 2021 to S\$2.89 million as of 30 June 2022. The decrease was mainly due to the decrease in cash and cash equivalents of S\$2.34 million due to net outflows for operational purposes partially offset by the decrease in inventories of S\$0.13 million attributable to the increase in healthcare products inventories held by the Group as of 30 June 2022 as compared to 31 December 2021 and increase in trade and other receivables of S\$0.12 million.

Non-current assets

Non-current assets have decreased by S\$0.31 million, from S\$2.55 million as of 31 December 2021 to S\$2.24 million as of 30 June 2022. The decrease was mainly due to the depreciation for both the property, plant and equipment and right-of-use assets of which cumulatively amounted to S\$0.35 million for 1H2022.

Non-current liabilities

Non-current liabilities have decreased by S\$0.3 million, from S\$1.42 million as of 31 December 2021 to S\$1.12 million as of 30 June 2022. This was primarily due to the decrease in non-current portion of lease liabilities which are reclassified to current portion for 1H2022.

Current liabilities

Current liabilities have increased by S\$0.12 million, from S\$0.75 million as of 31 December 2021 to S\$0.87 million as of 30 June 2022. The increase is due to the increase in trade and other payables offset by the reclassification of lease liabilities from non-current to current portion for 1H2022.

REVIEW OF CASH FLOW STATEMENT**Net cash used in operating activities**

In 1H2022, the Group recorded a net cash outflow for operating activities of S\$2.1 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$1.83 million and adjusted for working capital outflow of S\$0.23 million. Working capital outflow is mainly due to the decrease in the net operating cash outflows arising from the net settlement of trade and other payables and the purchase of inventories.

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Net cash (used in)/generated from investing activities

Net cash generated from investing activities of S\$8.94 million during 1H2021 mainly arose from the proceeds from the sale of leasehold land and building amounted to S\$9.50 million, offset by the acquisition of property, plant and equipment (mainly relating to the renovation in Commonwealth's office to fulfil the requirement of becoming a medical product manufacturing plant) of S\$0.56 million.

The net cash used in investing activities of S\$0.02 million during 1H2022 is for the acquisition of property, plant and equipment.

Net cash used in financing activity

Net cash used in financing activity of S\$0.22 million during the period mainly relates to the payment for the principal portion of respective lease liabilities (1H2021: S\$0.17 million).

16 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

17 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 COVID-19 outbreak and the associated lockdowns worldwide have resulted in unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. While the Group expects the challenges brought by the COVID-19 pandemic to continue, the Group is confident of meeting such challenges with an emphasis on the safety and well-being of the staff. Meanwhile, the COVID-19 pandemic has also increased awareness and demand for the Group's healthcare-related products.

The Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or acquisitions that have potential to generate value for shareholders. The directors will continue to monitor the situation and respond proactively to mitigate the impact on the Group's financial performance and financial position.

As at 1H2022, the Group's available funds are at S\$1.33 million. To maintain its operations and/or facilitate further growth of its businesses, the Group may consider conducting fundraising exercises in the upcoming months.

18 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

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(c) Whether the dividend is before tax, net of tax or tax exempt?

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

19 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the first six months ended 30 June 2022 in view that the Group is focusing on expanding its business operations, in particular the Group's healthcare product and services segment.

20 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.

The Group has not obtained a general mandate for IPTs from the shareholders.

21 Confirmation that the interim financial statements not false or misleading in any material aspect in pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Company's Board of Directors which may render the unaudited financial statements for the first six months ended 30 June 2022 to be false or misleading in any material aspect.

22 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) of the Listing Manual).

The Company hereby confirms that it has already procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

OEL (HOLDINGS) LIMITED

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BY ORDER OF THE BOARD

ZHAO XIN
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
12 August 2022

*This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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 details of the contact person for the Sponsor are:

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