



**OEL (HOLDINGS) LIMITED**  
(Incorporated in Republic of Singapore)  
(Company Registration Number: 198403368H)

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**PART (I) - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL-YEAR RESULTS**

**1(a) CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	Group					
	6 months ended 31.12.2022 S\$'000 (Unaudited)	6 months ended 31.12.2021 S\$'000 (Unaudited)	Increase/ (Decrease) %	12 months ended 31.12.2022 S\$'000 (Unaudited)	12 months ended 31.12.2021 S\$'000 (Audited)	Increase/ (Decrease) %
<b>Revenue</b>	451	134	236.6	779	319	144.2
Cost of sales	(196)	(40)	390.0	(295)	(48)	514.6
<b>Gross profit</b>	255	94	171.3	484	271	78.6
Other operating income	71	492	(85.6)	155	2,476	(93.7)
Selling and distribution expenses	(413)	(1,071)	(61.4)	(990)	(1,266)	(21.8)
Administrative expenses	(1,859)	(1,228)	51.4	(3,783)	(3,105)	21.8
Other operating expenses	(320)	(17)	1,782.4	(320)	(38)	742.1
Finance expenses	(28)	(43)	(34.9)	(70)	(75)	(6.7)
<b>Loss before tax</b>	(2,294)	(1,773)	29.4	(4,524)	(1,737)	160.4
Tax credit	281	2	13,950.0	283	4	6,975.0
<b>Loss for the financial period</b>	(2,013)	(1,771)	13.7	(4,241)	(1,733)	144.7
<b>Other comprehensive (loss)/income, net of tax</b> <i>Item that may be reclassified subsequently to profit or loss, net of tax</i>						
Exchange differences on translation of foreign operation	(4)	1	(500.0)	(4)	4	(200.0)
	(4)	1	(500.0)	(4)	4	(200.0)
<b>Total comprehensive loss for the financial period</b>	(2,017)	(1,770)	14.0	(4,245)	(1,729)	150.1
<b>Loss attributable to:</b>						
Equity holders of the Company	(2,013)	(1,771)	13.7	(4,241)	(1,696)	150.1
Non-controlling interests	-	-	-	-	(37)	(100.0)
	(2,013)	(1,771)	13.7	(4,241)	(1,733)	144.7
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(2,017)	(1,770)	14.0	(4,245)	(1,692)	150.9
Non-controlling interests	-	-	-	-	(37)	(100.0)
	(2,017)	(1,770)	14.0	(4,245)	(1,729)	145.5

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1(a) CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**

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

	Group					
	6 months ended 31.12.2022 S\$'000 (Unaudited)	6 months ended 31.12.2021 S\$'000 (Unaudited)	Increase/ (Decrease) %	12 months ended 31.12.2022 S\$'000 (Unaudited)	12 months ended 31.12.2021 S\$'000 (Audited)	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(112)	(105)	6.7	(223)	(165)	35.2
Depreciation of right-of-use assets	(252)	(241)	4.6	(494)	(426)	16.0
Amortisation of intangible asset	(9)	(9)	0.0	(18)	(18)	0.0
Loss on write-off of property, plant and equipment	(53)	-	100.0	(53)	-	100.0
Impairment loss:						
Impairment loss of goodwill	(267)	-	100.0	(267)	-	100.0
Interest expense on lease liabilities	(28)	(43)	(34.9)	(70)	(75)	(6.7)
Employee benefits expenses	(1,262)	(1,448)	(12.8)	(2,722)	(2,603)	4.6
Gain on sale of leasehold land and building	-	-	-	-	1,884	(100.0)

There are no material related party transactions apart from those disclosed in other information required by listing rule section.

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1(b)(i) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	31.12.2022 S\$'000 (Unaudited)	31.12.2021 S\$'000 (Audited)	31.12.2022 S\$'000 (Unaudited)	31.12.2021 S\$'000 (Audited)
<b>Current assets</b>				
Inventories	536	317	24	25
Trade and other receivables	712	1,007	430	1,979
Cash and cash equivalents	170	3,667	40	3,628
	1,418	4,991	494	5,632
<b>Non-current assets</b>				
Property, plant and equipment	475	716	79	233
Right-of-use assets	1,083	1,519	158	386
Investment in subsidiaries	-	-	1,150	1,150
Intangible asset	19	37	-	-
Goodwill on consolidation	-	267	-	-
Other non-current assets	9	10	-	-
Other receivables	53	-	-	-
	1,639	2,549	1,387	1,769
<b>Total assets</b>	3,057	7,540	1,881	7,401
<b>Current liabilities</b>				
Lease liabilities	281	439	34	213
Trade and other payables	449	305	365	207
Provision for other liabilities	110	4	100	-
Income tax payable	-	1	-	-
	840	749	499	420
<b>Non-current liabilities</b>				
Provision for reinstatement costs	56	31	-	-
Loan and borrowing	207	-	-	-
Lease liabilities	825	1,103	140	190
Deferred tax liabilities	3	286	-	280
	1,091	1,420	140	470
<b>Total liabilities</b>	1,931	2,169	639	890
<b>Net assets</b>	1,126	5,371	1,242	6,511
<b>Equity</b>				
Share capital	42,745	42,745	42,745	42,745
Accumulated losses	(41,552)	(37,311)	(41,503)	(36,234)
Other reserves	3	7	-	-
Total equity attributable to equity holders of the Company	1,196	5,441	1,242	6,511
Non-controlling interests	(70)	(70)	-	-
<b>Total equity</b>	1,126	5,371	1,242	6,511

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

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

The Group has non-current loan and borrowing of S\$0.21m as at 31 December 2022 (2021: S\$Nil) which pertains to the 2-year term loan provided by a director of a subsidiary of the Group.

Amount repayable in one year or less, or on demand

As at 31 December 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 31 December 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	207	-	-

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1(c) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group	
	31.12.2022 S\$'000 (Unaudited)	31.12.2021 S\$'000 (Audited)
<b>Cash flows from operating activities</b>		
Loss before tax	(4,524)	(1,737)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	223	165
- Depreciation of right-of-use assets	494	426
- Amortisation of intangible assets	18	18
- Interest expense on lease liabilities	70	75
- Gain on settlement of litigation	-	(373)
- Gain on sale of leasehold building	-	(1,884)
- Loss on write-off of property	53	-
- Impairment loss on goodwill	267	-
- Gain on early termination of lease	(7)	-
<b>Operating cash flows before changes in working capital</b>	<b>(3,406)</b>	<b>(3,310)</b>
<i>Changes in working capital:</i>		
- Inventories	(219)	(307)
- Trade and other receivables	242	(250)
- Trade and other payables	251	(1,602)
<b>Net cash used in operations</b>	<b>(3,132)</b>	<b>(5,469)</b>
Interest paid	(70)	(75)
Tax paid	(1)	-
<b>Net cash used in operating activities</b>	<b>(3,203)</b>	<b>(5,544)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(35)	(500)
Proceeds from sale of leasehold land and building	-	9,500
Acquisition of other non-current asset	-	(10)
<b>Net cash (used in)/generated from investing activities</b>	<b>(35)</b>	<b>8,990</b>

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1(c) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	Group	
	31.12.2022 S\$'000 (Unaudited)	31.12.2021 S\$'000 (Audited)
<b>Cash flows from financing activities</b>		
Payment of principal portion of lease liabilities	(462)	(402)
Proceeds from loan and borrowing	207	-
<b>Net cash used in financing activities</b>	<b>(255)</b>	<b>(402)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,493)</b>	<b>3,044</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>3,667</b>	<b>619</b>
<b>Effect of exchange rates changes on cash &amp; cash equivalents</b>	<b>(4)</b>	<b>4</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>170</b>	<b>3,667</b>

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1(d)(i) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

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
<b>Balance at 1 January 2022</b>	42,745	7	(37,311)	5,441	(70)	5,371
Total comprehensive income / (loss) for the year	-	(4)	(4,241)	(4,245)	-	(4,245)
<b>Balance at 31 December 2022</b>	42,745	3	(41,552)	(1,196)	(70)	1,126
<b>Balance at 31 December 2020</b>	42,745	7,882	(43,480)	7,147	(33)	7,114
SFRS(I) 3 Adjustment	-	-	(14)	(14)	-	(14)
<b>Balance at 1 January 2021 (Restated)</b>	42,745	7,882	(43,494)	7,133	(33)	(7,100)
Realisation of revaluation reserves of leasehold building sold during the year	-	(7,879)	7,879	-	-	-
Total comprehensive income / (loss) for the year	-	4	(1,696)	(1,692)	(37)	(1,729)
<b>Balance at 31 December 2021</b>	42,745	7	(37,311)	5,441	(70)	5,371

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2022</b>	42,745	-	(36,234)	6,511
Total comprehensive loss for the year	-	-	(5,269)	(5,269)
<b>Balance at 31 December 2022</b>	42,745	-	(41,503)	1,242
<b>Balance at 1 January 2021</b>	42,745	7,879	(43,428)	7,196
Reclassification of revaluation reserves of leasehold building sold during the year	-	(7,879)	7,879	-
Total comprehensive loss for the year	-	-	(685)	(685)
<b>Balance at 31 December 2021</b>	42,745	-	(36,234)	6,511

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

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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 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 31 December 2022 and 31 December 2021.

**TREASURY SHARES**

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

**SUBSIDIARY HOLDINGS**

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

**WARRANTS**

The total number of issued warrants were 77,535,407 as at 31 December 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 31 December 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 31 December 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 31 December 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 and principal place of business of the Company is located at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555.

These full-year financial statements for the period ended and as of 31 December 2022 comprise the Company and its subsidiaries (collectively known as the "Group").

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**2 Corporate information (Cont'd)**

The principal activities of the Group are that of investment holding, and 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 condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the twelve months ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting. The condensed interim 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 Group's 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**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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.

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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/(loss) earned/(incurred) 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			
			31.12.2022		31.12.2021	
			Revenue		Revenue	
			%	\$'000	%	
<b>Group</b>						
Rental of property and corporate	Rental income	Over-time	1	0.2	1	0.8
Childcare wellness education	Childcare income	Over-time	105	23.3	90	67.1
Healthcare products and services	Sale of goods	At a point in time	345	76.5	43	32.1
Total			451	100.0	134	100.0

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**6 Segment information (Cont'd)**

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

	Type	Timing of revenue recognition	12 months ended					
			31.12.2022		31.12.2021			
			Revenue		Revenue			
				S\$'000	%	S\$'000	%	
<b>Group</b>								
Rental of property and corporate	Rental income	Over-time	4	0.5	26	8.1		
Childcare wellness education	Childcare income	Over-time	182	23.4	249	78.1		
Healthcare products and services	Sale of goods	At a point in time	593	76.1	44	13.8		
Total			779	100.0	319	100.0		

The Group's revenue was derived from rental of property, childcare services, and sales of healthcare products, all of which operate in Singapore. There were no inter-segment sales during the periods ended 31 December 2022 and 31 December 2021.

	6 months ended							
	31.12.2022		31.12.2021					
	Results		Results					
				S\$'000	%	S\$'000	%	
<b>Group</b>								
Rental of property and corporate		(993)	49.3	(1,111)	62.7			
Childcare wellness education		(365)	18.1	(89)	5			
Healthcare products and services		(655)	32.6	(571)	32.3			
Total		(2,013)	100.0	(1,771)	100.0			

	12 months ended							
	31.12.2022		31.12.2021					
	Results		Results					
				S\$'000	%	S\$'000	%	
<b>Group</b>								
Rental of property and corporate		(2,318)	54.7	(704)	40.6			
Childcare wellness education		(523)	12.3	(120)	6.9			
Healthcare products and services		(1,400)	33.0	(909)	52.5			
Total		(4,241)	100.0	(1,733)	100.0			

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**6 Segment information (Cont'd)**

(c) *Segment assets and liabilities*

As at 31 December 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 S\$'000	Childcare wellness education S\$'000	Healthcare products and services S\$'000	Total S\$'000
<b>Group</b>				
<u>As at 31 December 2022</u>				
<b>Assets</b>				
Segment assets	705	438	1,914	3,057
<b>Liabilities</b>				
Segment liabilities	(604)	(304)	(1,023)	(1,931)
<u>For the period ended 31 December 2022</u>				
<b>Other information</b>				
Loss on write-off of property, plant and equipment	(53)	-	-	(53)
Impairment loss:				
-Goodwill	-	(267)	-	(267)
Depreciation	(341)	(112)	(264)	(717)
Amortisation	-	(18)	-	(18)
	Rental of property and corporate S\$'000	Childcare wellness education S\$'000	Healthcare products and services S\$'000	Total S\$'000
<u>Group</u>				
<u>As at 31 December 2021</u>				
<b>Assets</b>				
Segment assets	4,854	770	1,916	7,540
<b>Liabilities</b>				
Segment liabilities	(854)	(318)	(997)	(2,169)
<u>For the period ended 31 December 2021</u>				
<b>Other information</b>				
Gain on sale of leasehold land and building	1,884	-	-	1,884
Depreciation	(332)	(98)	(161)	(591)
Amortisation	-	(18)	-	(18)



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**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.

**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 have 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.**

Earnings Per Share based on net loss attributable to shareholders of the Company	Group	
	31.12.2022	31.12.2021
Profit/(Loss) per ordinary share after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue	(0.45)	(0.18)
- Weighted average number of shares	933,802,074	933,802,074
(b) On a fully diluted basis	(0.45)	(0.18)
- Weighted average number of shares	933,802,074	933,802,074

**FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31.12.2022	As at 31.12.2021	As at 31.12.2022	As at 31.12.2021
Net asset value per ordinary share based on issued share capital at the end of (cents):	0.12	0.58	0.13	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 increased by S\$0.32 million from S\$0.13 million for the 6-month period ended 31 December 2021 ("2H2021") to approximately S\$0.45 million for the 6-month period ended 31 December 2022 ("2H2022"). The increase was primarily due to higher revenue generated by the Group's healthcare products and services segment under AJJ Healthcare Management Pte. Ltd. of S\$0.34 million in 2H2022 as compared to the corresponding period in prior year of S\$0.04 million, contributing to the revenue growth.

The Group's revenue increased by S\$0.46 million from S\$0.32 million for the financial year ended 31 December 2021 ("FY2021") to approximately S\$0.78 million for the financial year ended 31 December 2022 ("FY2022"). The increase was primarily due to more revenue being generated from AJJ Healthcare Management Pte. Ltd. of S\$0.59 million in FY2022 as compared to the corresponding period in prior year of S\$0.04 million. This is offset by the drop in revenue of the childcare wellness education segment under Discovery Kidz Preschool Pte Ltd from S\$0.25 million in 2021 to S\$0.18 million in FY2022.

In the second half of 2021, due to COVID-19 restrictions, many parents that were working from home withdrew their children from the childcare centre, which contributed to the drop in revenue of the childcare wellness education segment. In the current financial year, the number of students has yet to recover to the level during pre-COVID-19 period. In prior financial year ended 31 December 2021, the rental of property and corporate segment generated revenue of S\$0.02 million from the rental income of a leasehold building. The building was sold off during FY2021 and there is no rental income generated from thereon.

**Other operating income**

Other operating income decreased by S\$0.42 million from S\$0.49 million in 2H2021 to S\$0.07 million in 2H2022. The decrease was mainly due to the decrease of S\$0.05 million in government grant income received in 2H2022 compared to 2H2021, and the decrease of S\$0.37 million due to the one-off reversal of overprovision for legal fees in 2H2021 which did not recur in 2H2022.

Other operating income has decreased by S\$2.32 million from S\$2.48 million in FY2021 to S\$0.16 million in FY2022. The decrease was mainly due to the one-off gain on sale of a leasehold land and building amounting to S\$1.88 million generated

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in FY2021 with no similar significant one-off gain recorded in FY2022. The other operating income of S\$0.16 million in FY2022 comprise mainly of government grants income.

**Selling and distribution expenses**

Selling and distribution expenses decreased by S\$0.66 million from S\$1.07 million in 2H2021 to approximately S\$0.41 million in 2H2022. The decrease in selling and distribution expenses was mainly due to our efforts to optimise employee salaries and improve productivity, resulting in a more efficient use of resources.

Selling and distribution expenses decreased by S\$0.28 million from S\$1.27 million in FY2021 to approximately S\$0.99 million in FY2022. The decrease in selling and distribution expenses was mainly due to our efforts to optimise employee salaries and improve productivity, resulting in a more efficient use of resources.

**Administrative expenses**

Administrative expenses increased by S\$0.63 million from S\$1.23 million in 2H2021 to S\$1.86 million in 2H2022. The increase was mainly due to increase in operating expenses of the Group's healthcare products and services segment as revenue in this segment has increased considerably, which resulted from more resources being used.

Administrative expenses increased by S\$0.68 million from S\$3.11 million in FY2021 to S\$3.78 million in FY2022. The increase was mainly due to increase in the operating expenses of the Group's healthcare products and services segment as revenue in this segment has increased considerably, which resulted from more resources being used.

**Other operating expenses**

Other operating expenses of the Group increased by S\$0.3 million from S\$0.02 million in 2H2021 to S\$0.32 million in 2H2022. The increase mainly pertained to one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million.

Other operating expenses of the Group increased by approximately S\$0.3 million from S\$0.04 million in FY2021 to S\$0.32 million in FY2022. The increase was mainly pertaining to one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million.

**Finance costs**

Finance costs of the Group decreased by approximately S\$0.02 million from S\$0.04 million in 2H2021 to S\$0.03 million in 2H2022. The decrease mainly pertained to the decrease in the interest on lease liabilities.

Finance costs of the Group decreased by S\$0.01 million from S\$0.08 million in FY2021 to S\$0.07 million in FY2022. The decrease mainly pertained to the decrease in the interest on lease liabilities.

**Loss for the financial period attributable to equity holders of the Company**

As a result of the above, the Group reported a loss attributable to equity holders of the Company of S\$4.25 million in FY2022 as compared to a loss of S\$1.73 million in FY2021. The loss mainly pertained to operating losses of the Group's subsidiaries and one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million in FY2022. In addition to the above, in prior year, there was a one-off gain on sale of a leasehold land and building amounting to S\$1.88 million which did not recur in the current year.

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

**Current assets**

Current assets decreased by S\$3.57 million from S\$4.99 million as of 31 December 2021 (“FY2021”) to approximately S\$1.42 million as of 31 December 2022 (“FY2022”). The decrease was mainly due to the decrease in cash and cash equivalents of S\$3.5 million due to net outflows for operational purposes, and the decrease in trade and other receivables of S\$0.29 million offset by increase in inventory of S\$0.22 million.

**Non-current assets**

Non-current assets decreased by S\$0.91 million from S\$2.55 million in FY2021 to S\$1.64 million in FY2022. The decrease was mainly due to the depreciation for both the property, plant and equipment and right-of-use assets which cumulatively amounted to S\$0.72 million for FY2022. The decrease is further due to one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million. The decrease is partially offset by the acquisition of new plant and equipment of S\$0.04 million.

**Non-current liabilities**

Non-current liabilities decreased by approximately S\$0.33 million from S\$1.42 million in FY2021 to S\$1.09 million in FY2022. This decrease is primarily due to the repayment of lease liabilities of S\$0.28 million and the decrease in deferred tax liabilities of S\$0.28 million due to reversal of over-provision of deferred tax liabilities offset by an increase of S\$0.21 million in loan and borrowings obtained from a director of the Group’s subsidiary during the year.

**Current liabilities**

Current liabilities increased by S\$0.09 million from S\$0.75 million in FY2021 to approximately S\$0.84 million in FY2022. The increase is due to the increase of S\$0.17 million in trade and other payables, and S\$0.11 million in provision for other liabilities, offset by the decrease of S\$0.16 million in current portion of lease liabilities.

**REVIEW OF CASH FLOW STATEMENT**

**Net cash used in operating activities**

In FY2022, the Group recorded a net cash outflow for operating activities of S\$3.2 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$3.41 million and adjusted for working capital inflow of S\$0.27 million. Working capital inflow is mainly due to (i) increase in trade and other payables of approximately S\$0.25 million; (ii) decrease of S\$0.24 million in trade and other receivables offset by increase in inventories of S\$0.22 million.

**Net cash generated from/(used in) investing activities**

Net cash used in investing activities of S\$0.04 million during the year pertained to the acquisition of property, plant and equipment of S\$0.04 million.

**Net cash (used in)/generated from financing activities**

Net cash used in financing activities of S\$0.25 million during the period in FY2022 mainly pertained to the payment for principal portion of lease liabilities of S\$0.46 million, offset by the net increase in loans and borrowings of S\$0.21 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.

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**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 all over the world have resulted in an unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. While the Company expects the challenges brought by the COVID-19 pandemic to ease, the Company intends to tackle such challenges with an emphasis being the continued growth of its existing businesses and fundraising activities. 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 of FY2022, the Group's available funds are at S\$0.17 million. The Company has been conducting fundraising activities including seeking bank facilities to maintain its operations and/or facilitate the future growth of its businesses. The Company's controlling shareholder has confirmed his willingness to furnish continued financial support to the Group. The Company also expects to receive some cash inflow from the collection of its account receivables. Meanwhile, the Group will continue to manage its cash flow conservatively. The Company will provide updates on any material developments.

**Healthcare Segment**

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.

**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.

**(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.

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

No dividend has been declared or recommended for the year ended 31 December 2022 in view that the Group is loss making and 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 the 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 its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the year ended 31 December 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.

BY ORDER OF THE BOARD

ZHAO XIN  
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR  
28 February 2023

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*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").*

*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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