



ASIAMEDIC LIMITED

ASIAMEDIC LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 197401556E)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		Increase/(Decrease)	
		6 months ended 30 June 2022 (Unaudited) \$	6 months ended 30 June 2021 (Unaudited) \$	\$	%
Revenue	N4	8,539,757	9,166,117	(626,360)	-7%
Other income		208,208	478,333	(270,125)	-56%
Items of expense					
Consumables used		(723,506)	(674,785)	48,721	7%
Personnel expenses		(4,872,885)	(4,950,847)	(77,962)	-2%
Depreciation and amortisation of non-current assets		(481,998)	(525,105)	(43,107)	-8%
Operating lease expenses		(83,014)	(80,359)	2,655	3%
Maintenance of equipment		(475,011)	(481,319)	(6,308)	-1%
Laboratory and consultancy fees		(965,880)	(936,507)	29,373	3%
Finance costs		(59,139)	(70,638)	(11,499)	-16%
Other operating expenses		(1,112,990)	(1,152,502)	(39,512)	-3%
Share of results of associate		213,806	190,952	22,854	12%
Profit before tax	N5	187,348	963,340	(775,992)	-81%
Income tax expense	N6	–	–	–	–
Profit for the period, representing total comprehensive income for the period, attributable to owners of the Company		187,348	963,340	(775,992)	-81%
Earnings per share for profit for the period attributable to the owners of the Company					
Basic (SGD in cent)	N7	0.017	0.086		
Diluted (SGD in cent)	N7	0.017	0.086		

NM: Not meaningful.

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2022 (Unaudited) \$	31 December 2021 (Audited) \$	30 June 2022 (Unaudited) \$	31 December 2021 (Audited) \$
Non-current assets					
Property, plant and equipment	N8	821,041	557,098	87,330	19,996
Right-of-use assets	N8	3,280,728	3,659,274	3,280,728	3,659,274
Investment in subsidiaries	N9	-	-	2,203,247	2,203,247
Investment in associate		2,205,801	1,991,995	181,500	181,500
Goodwill	N10	523,864	523,864	-	-
		6,831,434	6,732,231	5,752,805	6,064,017
Current assets					
Inventories		199,146	253,281	-	-
Trade receivables		3,084,635	2,100,354	-	-
Other receivables and deposits		641,221	617,473	608,886	708,882
Prepayments		327,329	194,741	72,101	38,423
Cash pledged as security		911,520	818,100	-	-
Cash and cash equivalents		7,230,047	9,473,762	4,509,246	5,832,792
		12,393,898	13,457,711	5,190,233	6,580,097
Current liabilities					
Trade payables		1,029,837	1,106,954	-	-
Other payables and accruals		1,747,182	1,961,667	1,403,357	1,716,369
Deferred income		918,776	1,179,464	-	-
Lease liabilities	N11	1,214,813	1,202,070	1,214,813	1,202,070
		4,910,608	5,450,155	2,618,170	2,918,439
Net current assets		7,483,290	8,007,556	2,572,063	3,661,658
Non-current liabilities					
Provision for reinstatement		1,117,027	1,115,662	479,000	479,000
Lease liabilities	N11	4,232,632	4,846,408	4,232,632	4,846,408
Deferred tax liabilities		22,568	22,568	-	-
		5,372,227	5,984,638	4,711,632	5,325,408
Net assets		8,942,497	8,755,149	3,613,236	4,400,267
Equity attributable to owners of the Company					
Share capital	N12	33,284,437	33,284,437	33,284,437	33,284,437
Treasury shares	N13	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves		(562,921)	(562,921)	97,812	97,812
Accumulated losses		(23,776,153)	(23,963,501)	(29,766,147)	(28,979,116)
		8,942,497	8,755,149	3,613,236	4,400,267

C CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company				Total
	Share capital	Other reserves	Treasury shares	Accumulated losses	
	\$	\$	\$	\$	\$
Balance at 1 January 2022	33,284,437	(562,921)	(2,866)	(23,963,501)	8,755,149
Profit for the period, representing total comprehensive income for the period	–	–	–	187,348	187,348
Balance at 30 June 2022	33,284,437	(562,921)	(2,866)	(23,776,153)	8,942,497
Balance at 1 January 2021	33,284,437	(562,921)	(2,866)	(24,678,532)	8,040,118
Profit for the period, representing total comprehensive income for the period	–	–	–	963,340	963,340
Balance at 30 June 2021	33,284,437	(562,921)	(2,866)	(23,715,192)	9,003,458
Company	Share capital	Other reserves	Treasury shares	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2022	33,284,437	97,812	(2,866)	(28,979,116)	4,400,267
Loss for the period, representing total comprehensive income for the period	–	–	–	(787,031)	(787,031)
Balance at 30 June 2022	33,284,437	97,812	(2,866)	(29,766,147)	3,613,236
Balance at 1 January 2021	33,284,437	97,812	(2,866)	(28,719,868)	4,659,515
Loss for the period, representing total comprehensive income for the period	–	–	–	(464,398)	(464,398)
Balance at 30 June 2021	33,284,437	97,812	(2,866)	(29,184,266)	4,195,117

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June 2022 (Unaudited) \$	6 months ended 30 June 2021 (Unaudited) \$
Cash flows from operating activities		
Profit before tax	187,348	963,340
Adjustments:		
Depreciation and amortisation of property, plant and equipment	103,452	86,723
Depreciation of right-of-use assets	378,546	438,382
Adjustment on lease modification	-	98,888
Property, plant and equipment written off	-	4,168
Finance costs	59,139	70,638
Interest income	(8,035)	(12,292)
Share of results of associate	(213,806)	(190,952)
Operating cash flows before changes in working capital	506,644	1,458,895
Changes in working capital		
Decrease in inventories	54,133	8,868
Increase in trade receivables, other receivables and deposits, and prepayments	(1,123,645)	(762,291)
(Decrease)/increase in trade and other payables	(280,859)	322,602
Decrease in deferred income	(260,688)	(244,568)
Net cash flows (used in)/from operating activities	(1,104,415)	783,506
Cash flows from investing activities		
Interest received	8,035	12,292
Purchase of property, plant and equipment	(395,109)	(111,470)
Net cash flows used in investing activities	(387,074)	(99,178)
Cash flows from financing activities		
Increase in cash pledged as security	(93,420)	-
Interest paid	(57,774)	(69,297)
Payment of principal portion of lease liabilities and finance lease rental payments	(601,032)	(734,447)
Net cash flows used in financing activities	(752,226)	(803,744)
Net decrease in cash and cash equivalents	(2,243,715)	(119,416)
Cash and cash equivalents at beginning of period	9,473,762	7,657,029
Cash and cash equivalents at end of period	7,230,047	7,537,613

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

N1. Corporate information

AsiaMedic Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those relating to investment holding and the provision of management services.

The principal activities of the Group are:

- (a) Provision of diagnostic imaging and radiology services.
- (b) Provision of medical wellness and health screening services.
- (c) Provision of primary healthcare services.
- (d) Provision of medical aesthetic services.

N2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. 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 accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note N2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

The financial statements have been prepared on a going concern basis as the management is reasonably confident that the Group will be able to pay its debts as and when they fall due as the Group is expected to be able to generate sufficient operating cash flows and will have sufficient funds for its operations.

N2.1 New and amended standards adopted by the Group

No new or amendment to the Singapore Financial Reporting Standards (International) has become applicable to the Group for the current reporting period.

N2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, 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 the 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 periods affected.

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

Note N8 – Impairment of property, plant and equipment and right-of-use assets: key assumptions underlying recoverable amounts.

Note N9 – Impairment of investment in subsidiaries and amounts due from subsidiaries: key assumptions underlying recoverable amounts.

Note N10 – Impairment of goodwill: key assumptions underlying recoverable amounts.

N3. Segment and revenue information

For management purposes, the Group regards the rendering of medical wellness and health screening services, diagnostic imaging and radiology services, primary healthcare services and medical aesthetic services as a single segment. Management has not identified any business or operating units separately for purpose of making decisions about resource allocation and performance assessment.

The Group's revenue is derived from operations located in Singapore.

N4. Disaggregation of revenue

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$	\$
Major service lines:		
Medical wellness and health screening services	4,601,520	4,977,003
Diagnostic imaging and radiology services	2,940,982	2,967,354
Primary healthcare services	909,005	895,218
Medical aesthetic services	581,135	813,891
	<u>9,032,642</u>	<u>9,653,466</u>
Less: Elimination of intercompany transactions	(492,885)	(487,350)
	<u>8,539,757</u>	<u>9,166,117</u>
Timing of transfer of goods or services:		
At a point in time	<u>8,539,757</u>	<u>9,166,117</u>

N5. Profit/(loss) before tax

N5.1 Significant items

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$	\$
Income:		
Jobs Support Scheme grant income	–	281,014
Other grant income	111,215	76,204
Sub-lease income	88,958	64,086
Interest income	8,035	12,292
Expenses:		
Adjustment on lease modification	–	98,888
Property, plant and equipment written off	–	4,168
Interest on lease liabilities	57,774	69,297

N5.2 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$	\$
Sale and purchase of goods and services:		
Purchase of consumables from an associate	210,900	210,900
Medical services rendered to related companies of controlling shareholder	51,376	55,220

N6. Income tax expense

There is no income tax expense for the six months ended 30 June 2022 due to the availability of tax losses to offset the current period's taxable profit.

N7. Earnings per share

Basic earnings per share amounts are calculated by dividing earnings for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

There were no potential dilutive ordinary shares. Share options are not included in the calculation of the diluted loss per share because they are anti-dilutive.

The following table reflects the share data used in the computation of earnings per share:

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic and diluted loss per share computation	1,119,522,270	1,119,522,270

N8. Property, plant and equipment and right-of-use assets

N8.1 Impairment test

The recoverable amount of the property, plant and equipment and right-of-use assets is based on the value in use of a cash generating unit ("CGU"). Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 impairment test, and was based on the following key assumptions:

- Projection period of 4.5 years (2021: 5 years).
- Pre-tax discount rate of 10% (2021: 10%).

Following management's impairment assessment, no impairment was recognised during the interim period. Any adverse change in a key assumption may result in an impairment.

N8.2 Purchase of property, plant and equipment

During the period, acquisitions of property, plant and equipment with a total cost of \$367,396 were made by cash. During the period, payments by cash for property, plant and equipment acquired in prior years amounted to \$27,712. As at 30 June 2022, the amount owing to a vendor for acquisitions of property, plant and equipment amounted to \$13,856.

N8.3 Right-of-use assets

	Office and clinic premises	
	2022	2021
	\$	\$
Cost:		
As at 1 January	10,241,949	6,810,044
Addition	–	3,431,905
Cost as at 30 June / 31 December	10,241,949	10,241,949
Accumulated depreciation and impairment loss:		
As at 1 January	6,582,675	4,931,259
Depreciation charge	378,546	892,151
Impairment	–	759,265
As at 30 June / 31 December	6,961,221	6,582,675
Net book value:		
As at 30 June / 31 December	3,280,728	3,659,274

N9. Investment in subsidiaries and amounts due from subsidiaries

The recoverable amount of the investment in subsidiaries was based on their value in use. Value in use was determined by discounting the future cash flows to be generated from the subsidiaries. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 impairment test, and was based on the following key assumptions:

- Projection period of 4.5 years (2021: 5 years).
- Pre-tax discount rate of 10% (2021: 10%).

The recoverable amount of the amounts due from subsidiaries was based on the expected credit loss model. The provision rates are based on factors that affect the collectability of the amounts including the subsidiaries' current financial position as well as the projected cash flows of the subsidiaries.

Following management's impairment assessment, impairments were recognised for the amounts due from subsidiaries as follows:

	Company	
	6 months ended	6 months ended
	30 June 2022	30 June 2021
	\$	\$
AsiaMedic PET/CT Centre Pte Ltd	382,754	230,109
AsiaMedic Heart & Vascular Centre Ptd Ltd	189,225	198,582
AsiaMedic Astique The Aesthetic Clinic Pte Ltd	211,459	–
Complete Healthcare International Pte Ltd	65,526	–
	848,964	428,691

N10. Goodwill

Goodwill relates to the business combination of the CGU of AsiaMedic Astique The Aesthetic Clinic Pte Ltd.

The recoverable amount of the CGU was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 impairment test, and was based on the following key assumptions:

- Projection period of 4.5 years (2021: 5 years).
- Pre-tax discount rate of 11% (2021: 11%)

Following management's impairment assessment, no impairment was recognised during the financial period. Any adverse change in a key assumption may result in an impairment.

N11. Lease liabilities

	2022	2021
	\$	\$
As at 1 January	6,048,478	4,034,970
Addition	–	3,431,905
Accretion of interest recognised during the financial period/year	57,774	143,192
Payment during the financial period/year	(658,807)	(1,561,589)
As at 30 June / 31 December	<u>5,447,445</u>	<u>6,048,478</u>
Analysed into:		
Current portion (repayable within a year)	1,214,813	1,202,070
Non-current portion (repayable after one year)	4,232,632	4,846,408
	<u>5,447,445</u>	<u>6,048,478</u>

Details of any collateral:

Nil.

N12. Share capital

	Group and Company			
	2022		2021	
	No. of shares	\$	No. of shares	\$
As at 1 January	1,119,622,270	33,284,437	1,119,622,270	33,284,437
Movement during financial period/year	–	–	–	–
As at 30 June / 31 December	<u>1,119,622,270</u>	<u>33,284,437</u>	<u>1,119,622,270</u>	<u>33,284,437</u>

As at 30 June 2022, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (31 December 2021: 1,119,522,270 ordinary shares excluding 100,000 treasury shares).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

N13. Treasury shares

	Group and Company			
	2022		2021	
	No. of shares	\$	No. of shares	\$
As at 1 January	100,000	2,866	100,000	2,866
Movement during financial period/year	—	—	—	—
As at 30 June / 31 December	<u>100,000</u>	<u>2,866</u>	<u>100,000</u>	<u>2,866</u>

F INFORMATION REQUIRED UNDER APPENDIX 7C OF THE CATALIST RULES

The following disclosures are in accordance with Appendix 7C Financial Statements and Dividend Announcement of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and do not form part of the condensed interim financial statements set out on pages 1 to 10 of this announcement.

1. (a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph A.

- (a)(ii) **Significant items**

Please refer to Note N5.1.

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

Please refer to paragraph B.

- (b)(ii) **Aggregate amount of group's borrowings and debt securities.**

Apart from the lease liabilities accounted in accordance with SFRS(I) 16, the Group did not have any external loans and borrowings and debt securities. Please refer to Note N11.

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

Please refer to paragraph D.

- (d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph C.

- (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.**

As at 30 June 2022, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (31 December 2021: 1,119,522,270 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 30 June 2022 was \$33,284,437 (31 December 2021: \$33,284,437).

There were no additional share options granted under the AsiaMedic Employees Share Option Scheme 2016 since the end of the previous period reported on. As at 30 June 2022, there were outstanding options for conversion into 819,677 (30 June 2021: 1,171,935) ordinary shares. The options were granted on 15 June 2016 and are subject to a vesting schedule and are exercisable in tranches from 15 June 2018.

The 100,000 treasury shares represent 0.009% of the total number of ordinary shares in issue as at 30 June 2022 and 30 June 2021.

(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.

As at 30 June 2022, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (31 December 2021: 1,119,522,270 ordinary shares excluding 100,000 treasury shares).

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

	As at 1 January 2022	Share buyback	Sales	Transfers	Disposal	Cancellation or use	As at 30 June 2022
Number of treasury shares	100,000	–	–	–	–	–	100,000

(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 does not have subsidiary holdings during and as at the end of the current financial period report on.

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

The figures have not been audited nor reviewed by the Company's auditor.

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

Not applicable.

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

Please refer to Note N2.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note N2.1.

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

Please refer to consolidated statement of profit or loss and Note N7.

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

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	cent	cent	cent	cent
Net asset value per ordinary share	0.80	0.78	0.32	0.39

The total number of shares used for the computation of net asset value per share as at 30 June 2022 is 1,119,522,270 excluding 100,000 treasury shares (31 December 2021: 1,119,522,270 ordinary shares excluding 100,000 treasury shares).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
 (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue decreased by \$626,000 (or 7%) to \$8.5 million for the half year ended 30 June 2022 ("**1H 2022**"), from \$9.2 million for the half year ended 30 June 2021 ("**1H 2021**"). The decrease in revenue was due mainly to the decrease in revenue from school-based health screening and vaccination services as the Group is no longer the sole provider of these services from January 2022. The Group also registered lower revenue from the medical aesthetic business in 1H 2022.

Other income decreased by 56% to \$208,000 in 1H 2022, from \$478,000 in 1H 2021, due mainly to the absence of the Jobs Support Scheme ("**JSS**") grant income in 1H 2022.

Total operating expenses decreased by \$98,000 (or 1%) due mainly to the decrease in depreciation and amortisation of non-current assets due mainly to impairment already made for the right-of-use assets and property, plant and equipment of the imaging business in the second half of 2021. The aforesaid decrease was partially offset by the increase in consumables used.

Finance costs decreased by \$12,000 (or 16%) due mainly to the extension of leases in 2021 at lower rates.

Share of results of associate increased by \$23,000 (or 12%) as a result of improvement in sales of the associate in 1H 2022 as compared to 1H 2021.

As the percentage decrease in the Group's revenue from 1H 2021 to 1H 2022 was higher than the percentage decrease in the Group's total operating expenses, together with the absence of JSS grant income in 1H 2022, the Group recorded a lower profit attributable to shareholders in 1H 2022 of \$187,000 (1H 2021: \$963,000).

Non-Current Assets

Non-current assets increased to \$6.8 million as at 30 June 2022, from \$6.7 million as at 31 December 2021. The increase was mainly due to the increase in property, plant and equipment, and investment in associate, partially offset by the decrease in right-of-use assets.

Property, plant and equipment increased to \$821,000 as at 30 June 2022, from \$557,000 as at 31 December 2021, mainly due to capital expenditure incurred in 1H 2022. Investment in associate increased to \$2.2 million as at 30 June 2022, from \$2.0 million as at 31 December 2021, due to share of profits in 1H 2022. Right-of-use assets decreased to \$3.3 million as at 30 June 2022, from \$3.7 million as at 31 December 2021, due to depreciation charges in 1H 2022.

Current Assets

Current assets decreased to \$12.4 million as at 30 June 2022, from \$13.5 million as at 31 December 2021. The decrease was due principally to the decrease in cash and cash equivalents, partially offset by the increase in trade receivables. Trade receivables increased to \$3.1 million as at 30 June 2022, from \$2.1 million as at 31 December 2021, due mainly to the increase in amount owing under the schools and community health screening projects. The decrease in cash and cash equivalents was due mainly to net cash flows used in operating, investing and financing activities in 1H 2022.

Current Liabilities

Current liabilities decreased to \$4.9 million as at 30 June 2022, from \$5.5 million as at 31 December 2021. The decrease was mainly due to the decrease in other payables and accruals, and deferred income. Other payables and accruals decreased to \$1.7 million as at 30 June 2022, from \$2.0 million as at 31 December 2021, due mainly to the payment of accrued staff benefits in 1H 2022. Deferred income decreased to \$0.9 million as at 30 June 2022, from \$1.2 million as at 31 December 2021, due to the decrease in the level of prepaid aesthetics and health screening packages.

Net Current Assets

As a result of the higher decrease in current assets as compared to the decrease in current liabilities as explained above, net current assets decreased to \$7.5 million as at 30 June 2022, from \$8.0 million as at 31 December 2021.

Non-Current Liabilities

Non-current liabilities decreased to \$5.4 million as at 30 June 2022, from \$6.0 million as at 31 December 2021, due mainly due to the decrease in non-current portion of lease liabilities to \$4.2 million as at 30 June 2022, from \$4.8 million as at 31 December 2021, due to lease payments in 1H 2022.

Cash Flow

Net cash flows used in operating activities amounted to \$1.1 million in 1H 2022 (as compared to net cash inflows of \$0.8 million in 1H 2021) due mainly to a lower profit before tax in 1H 2022, coupled with cash used for working capital, largely as a result of the increase in trade receivables and decrease in trade and other payables.

Net cash flows used in investing activities were \$387,000 in 1H 2022 (as compared to \$99,000 in 1H 2021) due mainly to higher capital expenditure in 1H 2022.

Net cash flows used in financing activities amounted to \$752,000 in 1H 2022 (as compared to \$804,000 in 1H 2021) due mainly to lower principal portion of lease liabilities and finance lease rental payments in 1H 2022.

As the Group incurred net cash flows used in operating, investing and financing activities, the Group's cash and cash equivalents as at 30 June 2022 decreased to \$7.2 million, as compared to \$7.6 million as at 30 June 2021.

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

No forecast or prospect statement has been previously disclosed to shareholders.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The shortage of skilled manpower and rising manpower costs due the current manpower crunch in the healthcare sector are significant challenges facing the Group. The shortage of clinical personnel will have an adverse impact on the patient volumes of all the Group's businesses. The Group has embarked on a program to review its businesses, broaden its technology capacity, enhance skills and competencies, and create greater patient-centric initiatives in order to meet competitive challenges and to contribute to the Group's strategic goals.

- 11. Dividend information.**

- a) Whether an interim (final) ordinary dividend has been declared (recommended).**

Nil

- b) (1) Amount per share: Nil cents**

(2) Previous corresponding period: Nil cents

- c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

N/A

- d) The date the dividend is payable: N/A**

- e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

N/A

- 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared to conserve cash for operational purposes.

13. If the group has obtained 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.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during HY2021 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during HY2021 (excluding transactions less than S\$100,000)
OncoCare Medical Pte. Ltd.	Associate of controlling shareholder	– ⁽¹⁾	– ⁽¹⁾ (Provision of imaging services under a general mandate)

Notes:

(1) All transactions were less than S\$100,000.

(2) The controlling shareholder of the Company had, on 6 June 2022, entered into an agreement with an unrelated third party to dispose of its entire 51% interest in the capital of OncoCare Medical Pte. Ltd. ("Disposal"). Upon completion of the Disposal, OncoCare Medical Pte. Ltd. will cease to be an interested person of the Group.

14. Use of proceeds from Rights Issue.

The Company issued 729,034,145 new ordinary shares on 14 January 2020 in connection with its Rights Issue. The net proceeds have been utilised as follows:

Use of proceeds	Net proceeds \$'000	Amount utilised as of the date of Announcements ⁽²⁾ \$'000	Amount utilised since the date of the Announcements ⁽²⁾ up to the date of this announcement \$'000	Balance \$'000
Reducing indebtedness of the Group ⁽¹⁾	5,000	5,000	–	–
For general corporate and working capital purposes including but not limited to operating costs, capital expenditure and making strategic investments and/or acquisitions if opportunities arise	3,523	510	–	3,013
Total	8,523	5,510	–	3,013

Notes:

(1) Reducing indebtedness of the Group in relation to the Offsetting Arrangement (as defined in the Company's circular to shareholders dated 14 November 2019). Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription by the Undertaking Shareholder of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder of S\$5 million.

(3) The Company's announcements dated 21 February 2020, 31 May 2022 and 29 July 2022.

The use of the Net Proceeds is in accordance with the stated allocation of Net Proceeds. The Company will provide updates as when the balance of the Net Proceeds is materially disbursed.

15. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720.

The Company has received undertaking from all its Directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST.

16. Confirmation pursuant to Rule 705(5).

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Charles Wang Chong Guang

Aona Liu

BY ORDER OF THE BOARD

**Foo Soon Soo (Ms)
Company Secretary**

Singapore
12 August 2022

This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 6319 4954.