



OEL (HOLDINGS) LIMITED

(Co. Regn. No: 198403368H)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL 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 year.

UNAUDITED FULL YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER	Group		
	2020 S\$'000	2019 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	<b>683</b>	<b>180</b>	279.4%
Cost of sales	(15)	-	N.M.
<b>Gross profit</b>	<b>668</b>	<b>180</b>	271.1%
Other operating income	320	28	1042.9%
Selling and distribution expenses	(26)	-	N.M.
Administrative expenses	(2,497)	(440)	467.5%
Other operating expenses	(1,156)	(717)	61.2%
Finance expenses	(99)	(108)	-8.3%
<b>Loss before income tax</b>	<b>(2,790)</b>	<b>(1,057)</b>	164.0%
Income tax credit	-	102	N.M.
<b>Loss for the financial year</b>	<b>(2,790)</b>	<b>(955)</b>	192.1%
<b>Other comprehensive income/(loss), 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	3	-	N.M.
<i>Item that will not be reclassified subsequently to profit or loss, net of tax</i>			
Net loss on revaluation of leasehold building	-	(3)	N.M.
	3	(3)	N.M.
<b>Total comprehensive loss for the financial year</b>	<b>(2,787)</b>	<b>(958)</b>	190.9%
<b>Loss attributable to</b>			
Equity holders of the Company	(2,757)	(955)	188.7%
Non-controlling interests	(33)	-	N.M.
	<b>(2,790)</b>	<b>(955)</b>	192.1%
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company	(2,754)	(958)	187.5%
Non-controlling interests	(33)	-	N.M.
	<b>(2,787)</b>	<b>(958)</b>	190.9%

N.M. - Not meaningful

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

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

NOTES TO THE UNAUDITED FULLL YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER	Group		
	2020 S\$'000	2019 S\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(383)	(339)	13.0%
Depreciation of right-of-use asset	(549)	(298)	84.2%
Interest expense	(5)	(62)	-91.9%
Interest expense on lease liabilities	(93)	(46)	102.2%
Over provision of tax in prior years	-	102	N.M.
Unrealised currency translation losses	(3)	-	N.M.

**N.M - Not meaningful**

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
<b>Current assets</b>				
Cash and cash equivalents	619	3	402	3
Trade and other receivables	757	98	1,151	102
Inventories	10	-	-	-
Asset held for sale	7,449	-	7,449	-
	8,835	101	9,002	105
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	200	-
Investment in an associate	-	-	-	-
Property, plant and equipment	381	7,975	298	7,975
Right-of-use assets	751	7,361	415	7,361
Other non-current assets	-	-	-	26
Goodwill on consolidation	326	-	-	-
	1,458	15,336	913	15,362
<b>Total assets</b>	10,293	15,437	9,915	15,467
<b>Current liabilities</b>				
Trade and other payables	1,678	395	1,571	394
Current income tax liabilities	1	-	-	-
Provision for other liabilities	439	-	439	-
Lease liabilities	285	241	207	241
Loans and borrowings	-	1,797	-	1,797
	2,403	2,433	2,217	2,432
<b>Non-current liabilities</b>				
Lease liabilities	496	7,220	222	7,220
Deferred income tax liabilities	280	280	280	280
	776	7,500	502	7,500
<b>Total liabilities</b>	3,179	9,933	2,719	9,932
<b>Net assets</b>	7,114	5,504	7,196	5,535
<b>Capital and reserves</b>				
Share capital	42,927	38,530	42,927	38,530
Accumulated losses	(43,480)	(40,723)	(43,428)	(40,692)
Other reserves	7,700	7,697	7,697	7,697
Equity attributable to equity holders of the Company	7,147	5,504	7,196	5,535
Non-controlling interests	(33)	-	-	-
<b>Total equity</b>	7,114	5,504	7,196	5,535

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

GROUP BORROWINGS AND DEBTS SECURITIES	Group	
	2020 S\$'000	2019 S\$'000
<b><u>Amount repayable in one year or less, or on demand</u></b>		
<u>Secured</u>		
Short term bank loans	-	1,050
<u>Unsecured</u>		
Loan from director	-	747
<b>Total</b>	<b>-</b>	<b>1,797</b>

**Details of any collateral**

The above borrowing of S\$1.05 million as at 31 December 2019 was secured by a property of the Company.

The unsecured borrowing of S\$0.75 million as at 31 December 2019 was the loan owing to a former director who was also a former controlling shareholder of the Company as of 31 December 2019. He had ceased to be the controlling shareholder of the Company on 20 December 2019 and also resigned as a director of the Company on 27 February 2020.

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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 year.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER	Group	
	2020 S\$'000	2019 S\$'000
<b>Cash flow from operating activities</b>		
Loss before income tax	(2,790)	(1,057)
Adjustments for:		
- Depreciation of property, plant and equipment	383	339
- Depreciation of right-of-use asset	549	298
- Interest expense	98	108
- Other income – waiver of debt	(40)	-
- Provision for other liabilities	439	-
- Unrealised currency translation losses	3	-
	<b>(1,358)</b>	<b>(312)</b>
<b>Changes in working capital</b>		
- Inventories	(10)	-
- Trade and other receivables	(521)	(66)
- Trade and other payables	1,226	104
<b>Net cash used in operations</b>	<b>(663)</b>	<b>(274)</b>
Interest paid	(98)	(57)
Income tax paid	-	(2)
<b>Net cash used in operating activities</b>	<b>(761)</b>	<b>(333)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(411)	-
Acquisition of subsidiaries, net of cash acquired	(405)	-
<b>Net cash used in investing activities</b>	<b>(816)</b>	<b>-</b>

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER	Group	
	2020 S\$'000	2019 S\$'000
<b>Cash flow from financing activities</b>		
Proceed from issuance of new shares	4,462	-
Share issue expenses	(65)	-
Repayment of bank borrowings	(1,050)	(100)
Payment of principal portion of lease liabilities	(450)	(282)
Loan from a former director (resigned on 27 February 2020) of the Company	(707)	697
<b>Net cash provided by financing activities</b>	<b>2,190</b>	<b>315</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>613</b>	<b>(18)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>3</b>	<b>21</b>
<b>Effect of exchange rates changes on cash &amp; cash equivalents</b>	<b>3</b>	<b>-</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>619</b>	<b>3</b>

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**1(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.**

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 2020	38,530	7,697	(40,723)	5,504	-	5,504
Issuance of new shares	4,462	-	-	4,462	-	4,462
Share issue expense	(65)	-	-	(65)	-	(65)
Total comprehensive income / (loss) for the year	-	3	(2,757)	(2,754)	(33)	(2,787)
<b>Balance at 31 December 2020</b>	<b>42,927</b>	<b>7,700</b>	<b>(43,480)</b>	<b>7,147</b>	<b>(33)</b>	<b>7,114</b>
Balance at 31 December 2018 as previously reported	38,530	7,700	(39,730)	6,500	-	6,500
Effect on adopting of SFRS(I)16	-	-	(38)	(38)	-	(38)
Balance at 1 January 2019 as restated	38,530	7,700	(39,768)	6,462	-	6,462
Total comprehensive loss for the year	-	(3)	(955)	(958)	-	(958)
<b>Balance at 31 December 2019</b>	<b>38,530</b>	<b>7,697</b>	<b>(40,723)</b>	<b>5,504</b>	<b>-</b>	<b>5,504</b>

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2020	38,530	7,697	(40,692)	5,535
Issuance of new shares	4,462	-	-	4,462
Share issue expense	(65)	-	-	(65)
Total comprehensive loss for the year	-	-	(2,736)	(2,736)
<b>Balance at 31 December 2020</b>	<b>42,927</b>	<b>7,697</b>	<b>(43,428)</b>	<b>7,196</b>
Balance at 31 December 2018 as previously reported	38,530	7,700	(39,700)	6,530
Effect on adopting SFRS(I)16	-	-	(38)	(38)
Balance at 1 January 2019 as restated	38,530	7,700	(39,738)	6,492
Total comprehensive loss for the year	-	(3)	(954)	(957)
<b>Balance at 31 December 2019</b>	<b>38,530</b>	<b>7,697</b>	<b>(40,692)</b>	<b>5,535</b>

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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 at 31 December 2020 and 668,266,667 as at 31 December 2019.

**TREASURY SHARES**

The Company did not have any outstanding treasury shares as at 31 December 2020 and 31 December 2019.

**SUBSIDIARY HOLDINGS**

The Company did not have any subsidiary holdings as at 31 December 2020 and 31 December 2019.

**WARRANTS**

The total number of issued warrants were 77,535,407 as at 31 December 2020 and Nil as at 31 December 2019.

**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 was 933,802,074 as at 31 December 2020 and 668,266,667 as at 31 December 2019.

**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 does not have any treasury shares.

**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 does not have any subsidiary holdings.

**2. 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.



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**3. 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.

**3 (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.

**4. 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 2019, except for those as disclosed under paragraph 5.

**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.**

In FY2020, the Group has adopted all the applicable new/revised SFRS(I) which became effective during the year. There is no material impact on the Group's financial statements upon adoption of these SFRS(I).

**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.**

Earnings Per Share (EPS) based on net profit attributable to shareholders of the Group	Group	
	2020	2019
Loss 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	(0.36)	(0.14)
- Weighted average number of shares	769,718,266	668,266,667
(b) On a fully diluted basis	(0.36)	(0.14)
- Weighted average number of shares	769,718,266	668,266,667

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7. **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	
	2020	2019	2020	2019
Net asset value per ordinary share based on issued share capital at the end of (cents):	0.77	0.82	0.77	0.83

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**

The Group's revenue increased by S\$0.5 million from S\$0.18 million in FY2019 to S\$0.68 million in FY2020. The increase was mainly due to the contribution of S\$0.37 million of revenue collected from the newly acquired subsidiary and an increase of rental income collection of S\$0.13 million due to higher rental rate charged.

**Cost of sales**

Cost of sales increased by S\$0.02 million from Nil in FY2019 to S\$0.02 million in FY2020 arising from the newly acquired childcare business in March 2020.

**Other Operating Income**

Other operating income increased by S\$0.29 million from S\$0.03 million in FY2019 to S\$0.32 million in FY2020. The increase was mainly contributed by (i) S\$0.05 million of dividends received from the liquidation of the Company's subsidiary, OSEC Shipyard Pte Ltd, (ii) S\$0.04 million of loans written off as agreed with a former director, (iii) S\$0.16 million worth of grants received from government, and (v) S\$0.04 million from property tax and rental rebate.

**Selling and distribution expenses**

Selling and distribution expenses increased by S\$0.03 million from Nil in FY2019 to S\$0.03 million in FY2020 as a result from the commencement of the new healthcare business in December 2020.

**Administrative Expenses**

Administrative expenses increased by S\$2.06 million from S\$0.44 million in FY2019 to S\$2.5 million in FY2020. The increase was mainly due to (i) an increase of S\$1.24 million in staff costs due to the acquisition of Discovery Kidz, and increase in headcount as the Company hired more staff, and (ii) an increase of S\$0.26 million in professional and legal fees incurred for acquisition and business expansion, (iii) an increase of S\$0.28 million in depreciation, (iv) increase of S\$0.07 million for the bank charges, (v) increase in S\$0.04 million for the ID fees and (vi) an increase in aggregate office expenses of S\$0.17 million.

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**Other Operating Expenses**

Other operating expenses increased by approximately S\$0.44 million from S\$0.72 million in FY2019 to S\$1.16 million in FY2020. The increase was due to a provision of other liabilities of approximately S\$0.44 million which is further explained under the item "current liabilities" below.

**Finance Costs**

Finance costs decreased by S\$0.01 million from S\$0.11 million in FY2019 to S\$0.1 million in FY2020. This was mainly due to a decrease of S\$0.06 million in loan interests as a result of repayment of S\$1.05 million bank borrowings and S\$0.78 million of borrowings to a former director, offset by higher interests of S\$0.05 million for the lease liabilities.

**Loss from Operations**

As a result of the above, the Group's loss from operations increased by S\$1.83 million from S\$0.96 million in FY2019 to S\$2.79 million in FY2020 due to the increase in overheads arising from the Group's diversification into the health industry.

**Loss Attributable to the Equity holders of the Company**

Overall, the Group reported a loss attributable to equity holders of the Company of S\$2.76 million in FY2020 as compared to a loss of S\$0.96 million in FY2019. There was a loss of S\$0.03 million attributable to non-controlling interests in FY2020.

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

Current assets increased by S\$8.74 million from S\$0.1 million in FY2019 to S\$8.84 million in FY2020, accounting for 85.8% of the total assets. The increase was mainly due to (i) an increase in cash and cash equivalents of S\$0.62 million, (ii) an increase in deposit and prepayment by S\$0.60 million, (iii) an increase in trade and other receivables of S\$0.06 million, (iv) an increase in inventory of S\$0.01 million and (v) an increase in asset held for sale of S\$7.45 million resulting from the reclassification of property, plant and equipment to asset held for sale.

**Non-Current Assets**

Non-current assets decreased by S\$13.88 million from S\$15.34 million in FY2019 to S\$1.46 million in FY2020. The decrease was mainly due to (i) reclassification of S\$7.63 million of property, plant and equipment and S\$7.05 million of right-of-use assets to asset held for sale, (ii) total depreciation charge of S\$0.93 million for right-of-use assets and property, plant and equipment, offset against (iii) purchase of S\$0.41 million of property, plant & equipment, (iv) S\$0.33 million in goodwill arising from the acquisition of Discovery Kidz, and (v) recognising S\$0.99 million of right-of-use-assets.

**Non-Current Liabilities**

Non-current liabilities decreased by S\$6.72 million from S\$7.5 million in FY2019 to S\$0.78 million in FY2020. The decrease was mainly due to a decrease in lease liability of S\$6.7 million due to the reclassification of Aljunied property to asset held for sale.

**Current Liabilities**

Current liabilities decreased by S\$0.03 million from S\$2.43 million in FY2019 to S\$2.40 million in FY2020. The decrease was mainly due to the total loan settlement of S\$1.8 million to the bank and to a former director, offset by an increase in trade and other payables of S\$0.34 million, increase in deposit of S\$0.95 million received from the disposal of Aljunied

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property, increase in provision for other liabilities of approximately S\$0.44 million and an increase in lease liabilities of S\$0.04 million.

The provision for other liabilities of approximately S\$0.44 million is related to a claim for alleged outstanding legal fees from a local law firm for legal services purportedly provided to the Company, its direct subsidiary, OSEC Shipyard Pte Ltd (“**OSEC**”) which has since been liquidated and its indirect subsidiary, OSC Co., Ltd (“**OSC**”) in various arbitration proceedings. The local law firm alleged that the Company had agreed to be jointly and severally liable for all fees and disbursements incurred by OSEC and OSC, due to a letter issued by the Company dated 10 September 2013, which was allegedly signed by the previous managing director of OEL. The local law firm was purportedly engaged for its services on or around March 2013.

The Company received two letters of demand from the local law firm on 30 July 2020 for the alleged respective outstanding sums of S\$120,405.56 and S\$345,842.09. On 6 August 2020, the Company received the third and final letter of demand from the local law firm for the alleged outstanding sum of S\$93,289.52. The aggregate alleged outstanding sum owed to the local law firm amounted to \$559,537.17. The breakdown of the same is as set out below:

Entity	Invoice Date	Subject Matter	Alleged Outstanding Amount (S\$)
OSC	07/08/2014	Advice on disputes with companies within the Boskalis group	167,445.10
	12/12/2014		100,000.00
	12/12/2014		53,101.71
OEL	21/12/2015	Advice on disputes with companies within the Boskalis group SIAC Arb. No. 177 and 178 of 2013	93,339.61
OSEC	21/12/2015	Advice on disputes with companies within the Boskalis group SIAC Arb. No. 177 and 178 of 2013	93,289.52
OEL	21/12/2015	Advice on disputes with companies within the Boskalis group SIAC Arb. No. 009 and 011 of 2013	27,065.95
OSC	21/12/2015	Advice on disputes with companies within the Boskalis group SIAC Arb. No. 009 and 011 of 2013	25,295.28

The local law firm subsequently commenced proceedings in the State Courts against the Company on 7 August 2020 and 10 December 2020 for the sums of \$167,445.10 (the “**First Proceedings**”) and \$153,101.71 (the “**Second Proceedings**”) respectively.

The Company disputes the aforesaid claims and is still in the process of verifying and/or confirming the validity and veracity of such claims. In particular, the Company notes that other than a sum of S\$120,405.56 specified as owing to the local law firm which has already been provided for under “*Trade & Other Payables*” in the audited financial statements as contained in its Annual Report for financial year 2015, there was no reference to any of the other alleged outstanding sums owing to the local law firm in any of the audited financial statements contained in its Annual Report for subsequent financial years. No further steps have been taken in both of the First and the Second Proceedings as parties are presently trying to negotiate an amicable settlement. Accordingly, the local law firm has agreed that the Company need not presently file a defence for the First Proceedings and need not enter an appearance for the Second Proceedings.

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**Share Capital**

Share capital increased by S\$4.4 million from S\$38.53 million in FY2019 to S\$42.93 in FY2020. The increase was due to the total proceeds of S\$4.46 million from the issuance of 77,535,407 new ordinary shares at S\$0.027 per share on 12 May 2020 and issuance of 188,000,000 new ordinary shares of S\$0.01236 per share on 22 September 2020, offset by the share issue expenses of S\$0.06 million.

**REVIEW OF CASH FLOW STATEMENT****Net Cash Used in Operating Activities**

Net cash used in operating activities before working capital changes was S\$1.36 million in FY2020 as compared to S\$0.31 million in FY2019. Net cash provided by the working capital was S\$0.70 million, arising from an increase in trade and other payables of S\$1.23 million, which was offset by an increase in inventories of S\$0.01 million, increase in trade and other receivables of S\$0.52 million. Net cash used in the operating activities stood at S\$0.76 million after the interest payment of S\$0.1 million.

**Net Cash Used in Investing Activities**

The net cash used in investing activities of S\$0.82 million in FY2020 was for the purchase of property, plant and equipment of S\$0.41 million and for the acquisition of subsidiary of S\$0.41 million. There was no cash used in investing activities for FY2019.

**Net Cash Provided by Financing Activities**

Net cash provided by financing activities was S\$2.19 million in FY2020 as compared to S\$0.32 million in FY2019. This was mainly arising from the net proceeds of S\$4.40 million from the issuance of new shares, offset by the repayment of bank loan of S\$1.05 million, repayment of director loan of S\$0.71 million and payment of principal portion of lease liabilities of S\$0.45 million.

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

Not applicable.

**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 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 continue, the Company intends to rise to meet such challenges with an emphasis being the safety and well-being of our staff. Meanwhile, the COVID-19 pandemic has also increased awareness and demand for the Group's healthcare related products.

During 1H2020, the Group had invested in both childcare education and healthcare industries. In accordance with our management's sales and operation strategy, the Group will build its own brand and consumer awareness, develop and expand sales channels, focus on high-quality, high-tech medical device technology and medical-related products, as well as our high-quality after-sales service, to achieve our goal of building a Pan-Asian High-Tech Healthcare company and to establish a medical industry manufacturing plant and medical products inventory base in Singapore

Please refer to the respective paragraphs below for the Company's update on the property management, childcare education and healthcare industries.

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**Property Management**

The Company has successfully disposed of the Aljunied building on 2 February 2021. The consideration of S\$9.5 million represents an excess of approximately S\$2.05 million over the asset held for sale of S\$7.45 million as at 31 December 2020. Accordingly, the Group will recognise a net gain of S\$2.05 million from the disposal.

**Childcare Wellness Education**

On 2 March 2020, the Company announced the acquisition of Discovery Kidz, which was completed on 21 June 2020. With the Job Support Scheme received from government, property tax rebates and other government grants, Discovery Kidz was not adversely affected and remained profitable in 2020. Barring unforeseen circumstances, the Discovery Kidz expects to remain profitable in 2021.

**Healthcare**

In light of the COVID-19 pandemic, the Company recognises and intends to capitalise on the potential opportunities in the healthcare industry. On 22 April 2020, the Company's wholly-owned subsidiary, AJJ Health Care Management Pte. Ltd. ("**AJJ**"), entered into an agreement for the acquisition of 51% shareholding interests in Shanghai Longjian Hospital Management Co., Ltd, which was completed on 14 June 2020. On 29 September 2020, AJJ has incorporated a joint venture company, HIFU Suntec Pte. Ltd. ("**HIFU Suntec**"), with its joint venture partner, Shanghai Suntec Co. Ltd. ("**Shanghai Suntec**"). HIFU Suntec is 80% owned by AJJ and 20% owned by Shanghai Suntec. HIFU Suntec was incorporated to conduct research & development of medical technologies and the manufacturing of HIFU machine and other medical equipment.

AJJ has secured an exclusive distributor deal with Microcure (Suzhou) Medical Technology Co., Ltd in Singapore for its disposable medical surgical products, which have obtained CE certification and is currently in the process of registration with the Health Sciences Authority ("**HSA**").

AJJ is building a medical high-tech equipment manufacturing plant, high tech medical equipment R&D team and medical products inventory base in Singapore, and has obtained the SS 620:2016 GDPMDS Certificate, importer license and wholesaler license, which certifies that AJJ has met HSA's requirements to ensure the safety, quality and performance of medical devices that it is dealing in. AJJ is currently in the process of applying for ISO13458:2016.

The Group does not anticipate making significant changes to its business plans.

The Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investment, partnerships, or acquisitions, that have potential to generate value for shareholders.

**11. 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) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for FY2020 as the Company incurred a net loss for the full financial year ended 31 December 2020.

**13. 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.

**14. Utilisation of proceeds from the issue of new ordinary shares.**

The Company refers to its announcements dated 18 August 2020, 17 September 2020 and 23 September 2020.

As at the date of this announcement, the net cash proceeds of S\$2.35 million raised from the 188 million new shares issued at S\$0.0126 per share has been fully utilised for working capital purposes of S\$1.05 million and business development purposes of S\$1.3 million in accordance with the intended use as stated in its announcement dated 23 September 2020.

**15. 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)).**

The Company 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.

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**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**BREAKDOWN OF GROUP REVENUE BY PRODUCT SEGMENTS**

	FY2020		FY2019	
	S\$'000	%	S\$'000	%
Property leasing	310	45.4	180	100.0
Childcare	373	54.6	-	0.0
Total	683	100.0	180	100.0

**BREAKDOWN OF GROUP REVENUE BY GEOGRAPHICAL REGIONS**

	FY2019		FY2019	
	S\$'000	%	S\$'000	%
Singapore	683	100.0	180	100.0
Total	683	100.0	180	100.0

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to the section on paragraph 8 of this announcement for details.

- 18. A breakdown of sales.**

	FY2020	FY2019	Change
	S\$'000	S\$'000	%
(a) Sales reported for first half year	306	66	363.64
(b) Loss after tax for first half year	(809)	(521)	55.28
(c) Sales reported for second half year	377	114	230.70
(b) Loss after tax for second half year	(1,981)	(434)	356.45

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**



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Not applicable.

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format as shown, if there is no such person, the issuer must make an appropriate negative statement.**

The Company confirms that no one is occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholders of the Company.

BY ORDER OF THE BOARD

ZHAO XIN  
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR  
26 February 2021

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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"). 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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