



**MEDI LIFESTYLE LIMITED  
AND ITS SUBSIDIARIES**

Company Registration No: 201117734D

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**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER (“2Q2023”) AND HALF YEAR (“HY2023”)  
ENDED 30 JUNE 2023**

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*In view of the disclaimer of opinion on going concern assumption issued by the Company’s independent auditors, Mazars LLP, on the audited financial statements of the Group for the financial ended 31 December 2022, the Company is required by the Singapore Exchange Securities Trading Limited (“Exchange”) to announce its quarterly financial statements pursuant to Catalyst Rule 705.*

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

Group	Note	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
		2Q2023 RM'000 (Unaudited)	2Q2022 RM'000 (Unaudited)	Change + / (-) %	HY2023 RM'000 (Unaudited)	HY2022 RM'000 (Unaudited)	Change + / (-) %
Revenue	4	501	714	(29.8)	891	1,334	(33.2)
Cost of sales		(394)	(507)	(22.3)	(908)	(1,048)	(13.4)
<b>Gross profit/(loss)</b>		107	207	(48.3)	(17)	286	n.m.
Other operating income		64	136	(52.9)	115	287	(59.9)
Administrative expenses		(2,260)	(1,352)	67.2	(3,643)	(2,853)	27.7
Exchange loss		(273)	(147)	85.7	(343)	(105)	226.7
Other operating expenses		(188)	(3)	n.m.	(188)	(3)	n.m.
Finance costs		(242)	(86)	181.4	(357)	(182)	96.2
Loss before tax	5	(2,792)	(1,245)	124.3	(4,433)	(2,570)	72.5
Income tax		-	-	-	-	-	-
Loss for the period		(2,792)	(1,245)	124.3	(4,433)	(2,570)	72.5
<b>Other comprehensive (loss)/income, net of tax</b>							
- Exchange differences on translation of foreign operations		(144)	(100)	44.0	(110)	(164)	(32.9)
Total comprehensive loss for the period/year		(2,936)	(1,345)	118.3	(4,543)	(2,734)	66.2
<b>Total loss attributable to:</b>							
Owners of the Company		(2,792)	(1,245)	124.3	(4,433)	(2,570)	72.5
Non-controlling interests		-	-	-	-	-	-
		(2,792)	(1,245)	124.3	(4,433)	(2,570)	72.5
<b>Total comprehensive loss attributable to:</b>							
Owners of the Company		(2,936)	(1,345)	118.3	(4,543)	(2,734)	66.2
Non-controlling interests		-	-	-	-	-	-
		(2,936)	(1,345)	118.3	(4,543)	(2,734)	66.2
Loss per share for the period attributable to owners of the Company							
Basic (Malaysia sen)		(4.53)	(2.25)		(7.30)	(4.65)	
Diluted (Malaysia sen)		(4.53)	(2.25)		(7.30)	(4.65)	

n.m. denotes not meaningful

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Company		Group	
		As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
<b>Current assets</b>					
Cash and bank balances		1,097	13	1,323	510
Trade receivables	6	-	-	245	624
Other receivables and prepayments	7	573	45	203	220
Inventories		-	-	33	37
		<u>1,670</u>	<u>58</u>	<u>1,804</u>	<u>1,391</u>
<b>Non-current assets</b>					
Property, plant and equipment	8	-	-	223	240
Right-of-use assets	9	-	-	212	345
Intangible assets	10	-	-	200	200
Subsidiaries		8,745	7,056	-	-
		<u>8,745</u>	<u>7,056</u>	<u>635</u>	<u>785</u>
<b>Total assets</b>		<b><u>10,415</u></b>	<b><u>7,114</u></b>	<b><u>2,439</u></b>	<b><u>2,176</u></b>
<b>Current liabilities</b>					
Trade payables		-	-	10	11
Other payables and other provisions	11	1,669	2,421	5,569	7,244
Borrowings	12	3,388	719	3,388	719
Lease liabilities	13	-	-	283	293
Contract liabilities		-	-	130	99
Income tax payable		-	-	6	6
		<u>5,057</u>	<u>3,140</u>	<u>9,386</u>	<u>8,372</u>
<b>Non-current</b>					
Borrowings	12	3,200	2,384	3,200	2,384
Lease liabilities	13	-	-	7	131
		<u>3,200</u>	<u>2,384</u>	<u>3,207</u>	<u>2,515</u>
<b>Total liabilities</b>		<b><u>8,257</u></b>	<b><u>5,524</u></b>	<b><u>12,593</u></b>	<b><u>10,887</u></b>
<b>Capital and reserves</b>					
Share capital		130,821	127,721	130,821	127,721
Treasury shares		(38)	(38)	(38)	(38)
Currency translation reserve		242	255	(133)	(23)
Capital reserve		3,893	3,893	3,893	3,893
Accumulated losses		(132,760)	(130,241)	(144,697)	(140,264)
Equity attributable to owners of the Company		2,158	1,590	(10,154)	(8,711)
Non-controlling interests		-	-	-	-
<b>Net equity / (capital deficiency)</b>		<b><u>2,158</u></b>	<b><u>1,590</u></b>	<b><u>(10,154)</u></b>	<b><u>(8,711)</u></b>
<b>Total liabilities and equity</b>		<b><u>10,415</u></b>	<b><u>7,114</u></b>	<b><u>2,439</u></b>	<b><u>2,176</u></b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

### Company

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
<b>At 1 January 2023</b>	127,721	(38)	(130,241)	3,893	255	1,590
Total comprehensive loss for the period	-	-	(2,519)	-	(13)	(2,532)
Transaction with owners:						
Pursuant to conversion of convertible bond	3,107	-	-	-	-	3,107
Capitalised expenses	(7)	-	-	-	-	(7)
<b>At 30 June 2023</b>	<b>130,821</b>	<b>(38)</b>	<b>(132,760)</b>	<b>3,893</b>	<b>242</b>	<b>2,158</b>

### Company

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
<b>At 1 January 2022</b>	126,156	(38)	(127,406)	3,893	123	2,728
Total comprehensive loss for the period	-	-	(924)	-	57	(867)
Transaction with owners:						
Capitalised expenses	(7)	-	-	-	-	(7)
<b>At 30 June 2022</b>	<b>126,149</b>	<b>(38)</b>	<b>(128,330)</b>	<b>3,893</b>	<b>180</b>	<b>1,854</b>

### Group

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
<b>At 1 January 2023</b>	127,721	(38)	(140,264)	3,893	(23)	(8,711)	-	(8,711)
Loss for the year	-	-	(4,433)	-	-	(4,433)	-	(4,433)
Other comprehensive income								
- Currency translation difference arising from consolidation	-	-	-	-	(110)	(110)	-	(110)
Transaction with owners:								
Pursuant to conversion of convertible bond	3,107	-	-	-	-	3,107	-	3,107
Capitalised expenses	(7)	-	-	-	-	(7)	-	(7)
<b>At 30 June 2023</b>	<b>130,821</b>	<b>(38)</b>	<b>(144,697)</b>	<b>3,893</b>	<b>(133)</b>	<b>(10,154)</b>	<b>-</b>	<b>(10,154)</b>

### Group

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
<b>At 1 January 2022</b>	126,156	(38)	(135,962)	3,893	22	(5,929)	-	(5,929)
Loss for the year	-	-	(2,570)	-	-	(2,570)	-	(2,570)
Other comprehensive income								
- Exchange difference on translating foreign operations	-	-	-	-	(164)	(164)	-	(164)
Transaction with owners:								
Capitalised expenses	(7)	-	-	-	-	(7)	-	(7)
<b>At 30 June 2022</b>	<b>126,149</b>	<b>(38)</b>	<b>(138,532)</b>	<b>3,893</b>	<b>(142)</b>	<b>(8,670)</b>	<b>-</b>	<b>(8,670)</b>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<b>Group</b>	<b>3 Months ended</b>		<b>6 Months ended</b>	
	<b>30 June ("2Q")</b>		<b>30 June ("HY")</b>	
	<b>2Q2023</b>	<b>2Q2022</b>	<b>HY2023</b>	<b>HY2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before tax	(2,792)	(1,245)	(4,433)	(2,570)
	(2,792)	(1,245)	(4,433)	(2,570)
Adjustments for:				
Depreciation of property, plant and equipment	22	15	42	25
Depreciation of right-of-use assets	75	121	144	264
Loss on termination of lease	-	3	-	3
Impairment of trade receivables	188	-	188	-
Interest expenses	242	86	357	182
Operating loss before working capital changes	(2,265)	(1,020)	(3,702)	(2,096)
Inventories	2	5	4	7
Trade and other receivables and prepayments	(128)	(186)	231	(459)
Contract liabilities	98	(12)	27	15
Trade and other payables and other provisions	(1,816)	1,702	(1,674)	2,422
Net cash (used in)/generated from operating activities	(4,109)	489	(5,114)	(111)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(24)	(58)	(25)	(85)
Net cash used in investing activities	(24)	(58)	(25)	(85)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of lease liability	(82)	(345)	(160)	(712)
Repayment of convertible loans (principal & interest)	(817)	-	(817)	-
Convertible loan note	-	-	332	-
Convertible bond	5,186	-	5,186	-
Medium-term loan	-	-	332	-
Short-term loan	1,047	-	1,047	-
Capitalised transaction costs on issuance of ordinary shares	(7)	(7)	(7)	(7)
Net cash generated from/ (used in) financing activities	5,327	(352)	5,913	(719)
	1,194	79	774	(915)
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of the period	91	227	510	1,218
Currency translation difference of cash and cash equivalents at beginning of the period	38	11	39	14
<b>Cash and cash equivalents at end of period</b>	<b>1,323</b>	<b>317</b>	<b>1,323</b>	<b>317</b>
<i>Cash and bank balances comprise:</i>				
Cash and bank balances	1,323	317	1,323	317
Cash and cash equivalents at end of period	1,323	317	1,323	317

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## E. SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate and group information

Medi Lifestyle Limited (the “Company”) (Registration No. 201117734D) is incorporated in Singapore with its principal place of business at Unit 100.3.015, 129 Offices, Block J, Jaya One, 72A Jalan Universiti, Section 13, 46200 Petaling Jaya, Selangor, Malaysia and registered office at 80 Robinson Road #02-00, Singapore 068898. Its shares are publicly traded on the Catalist board of the Singapore Exchange.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are in the Healthcare and Wellness sector. The financial results presented for the three months (“2Q2023”) and six months (“HY2023”) ended 30 June 2023 comprise of (i) the Healthcare and Wellness sector which includes 1 postpartum care centre as well as 2 chiropractic and physiotherapy centres in Malaysia; and (ii) Outsourced services in Malaysia and Singapore including human resource recruitment and payroll, and other support services.

During the financial year ended 31 December 2021, the voluntary liquidation of HealthPro Pte Ltd and appointment of a liquidator was approved at an extraordinary general meeting and a meeting of creditors on 27 August 2021, whereupon the subsidiary was reclassified under discontinued operations and its assets and liabilities being held under liquidation were deconsolidated from the Group’s condensed interim financial statements. HealthPro Pte Ltd was dissolved on 22 September 2022.

### 2. Basis of preparation

The condensed interim financial statements for 2Q2023 and HY2023 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 audited financial statements for the twelve months ended 31 December 2022.

The interim statements of financial position of the Company and its subsidiaries as at 30 June 2023 and related interim consolidated profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for 2Q2023 and HY2023 and certain explanatory notes have not been independently audited or reviewed.

Except as disclosed in Note 2.1 below, the Group has applied the same accounting policies and methods of computation in the financial statements for current financial period reported on, as those applied in the Group’s most recently audited financial statements for the financial year ended 31 December 2022, which were prepared in accordance with Singapore Financial Reporting Standards (International).

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates its functional currency. The functional currency of the Company is Singapore Dollar (“S\$”) while the consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are presented in Malaysia Ringgit (“RM”).

#### 2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) and SFRS(I) Interpretations (“SFRS(I) INTs”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for 2Q2023 and HY2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2 Use of estimates and judgement

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions about the carrying amount of assets and liabilities that were not readily apparent from other sources in the application of the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors considered to be reasonable under the circumstances. Actual results may differ from these estimates.

Other than the following disclosure, there are no critical judgement made by management in the process of applying the Group's accounting policies which may have the most significant effect on the amounts recognised in the financial statements.

#### ***Impairment review of property, plant and equipment and right-of-use asset***

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value-in-use) of the asset is estimated to determine the impairment loss.

The estimation of recoverable amount involves projection of future cash flows and use of an appropriate discount rate to discount the projected cash flows to net present value. These projections and discount rate are significant accounting estimates which can cause significant change in the carrying amount in the future should the estimates change.

The Group has experienced the effects of challenging economic conditions in the Healthcare sector. Management has made significant estimates on the probability of the economic conditions improving in their projected cash flows.

#### ***Impairment of investment in subsidiaries***

Management exercises their judgement in estimating recoverable amounts of its investment in subsidiaries of the Company. The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

#### ***Calculation of loss allowance for trade and other receivables***

When measuring expected credit loss ("ECL") the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

### **2.3 Going concern assumption**

As at 30 June 2023, the Group's current liabilities exceeded its current assets by RM7.6million. In addition, the Group incurred a net loss of RM4.4million and net operating cash outflow of RM5.1 million for the half year ended 30 June 2023. These conditions indicate that a material uncertainty may exist that may cast significant doubt on the Group's ability to continue as a going concern. To support the financial statements having been prepared on a going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group prepared a 12-month consolidated cash flow forecast from 1 July 2023 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, the management has taken the following into consideration:

- (i) New capital raising of S\$3.0 million in the form of convertible bonds, subject to the continuing support from the convertible bond holders. As at date of this announcement, the Company has (i) obtained shareholders' approval for the proposed issuance of convertible bonds of up to RM99,000,000 (approximately S\$30,000,000) and the proposed share consolidation at the extraordinary general meeting held on 28 April 2023; (ii) obtained SGX-ST's approval for the listing and quotation of consolidation shares and conversion shares on the Catalist on 29 April 2023 and (iii) raised S\$2.0 million of the planned S\$3.0 million of convertible bond;
- (ii) Letter of undertaking from a third-party creditor have been obtained from creditors, to not demand repayment of the amounts owing to them of approximately RM0.9 million until resources permit.

### **2.4 Board's comments on going concern assumption**

In the assessment of Group's going concern, the Board has considered the followings:

- (a) the Cash Flow Forecast prepared by management, including estimated earnings from the Healthcare Sector and the Outsourced Services Sector;



- (b) Have raised S\$2.0 million of the planned fund-raising of up to S\$3.0 million in the form of convertible bonds. The Company is working rigorously to achieve the S\$3.0 million target;
- (c) Letter of undertaking from a third-party creditor have been obtained from creditors, to not demand repayment of the amounts owing to them of approximately RM0.9 million until resources permit; and
- (d) Letter of financial support from a shareholder who has agreed to provide up to S\$5.0 million for the Group to meet its liabilities and its normal operating expenses as and when required.

Barring any unforeseen circumstances, the Board is of the opinion that the Group should be able to meet its working capital commitments for the next 12 months and the Group's financial statements be prepared on a going concern basis.

### **3. Seasonal operations**

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

#### 4. Segmental and revenue information

The Group's reportable segments were identified as follows:

Operations consist of:

- Healthcare – postpartum care, chiropractic & physiotherapy services and cell-therapy products
- Outsourced Services – human resource recruitment and payroll, and other outsourced support services
- Corporate – investment holding activities

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

#### 4.1 Reportable Segments

The segment analysis on the Group's results for three months ended 30 June 2023 ("2Q2023") and 30 June 2022 ("2Q2022") are as follows:-

Group	Healthcare		Corporate		Outsourced Services		Combined	
	2Q2023	2Q2022	2Q2023	2Q2022	2Q2023	2Q2022	2Q2023	2Q2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>								
Total sales	281	134	-	-	218	599	499	733
Inter-segment sales	-	-	-	-	2	(19)	2	(19)
External sales	281	134	-	-	220	580	501	714
<b>RESULTS</b>								
Segment results	(729)	(793)	(1,500)	(375)	(321)	9	(2,550)	(1,159)
Finance costs	(5)	(7)	(237)	(77)	-	(2)	(242)	(86)
	(734)	(800)	(1,737)	(452)	(321)	7	(2,792)	(1,245)
Taxation							-	-
Loss for the period							(2,792)	(1,245)
Loss attributable to								
- owners of the Company							(2,792)	(1,245)
- non-controlling interest							-	-
Loss for the period							(2,792)	(1,245)
Depreciation of property, plant and equipment	(12)	(8)	(9)	(7)	(1)	-	(22)	(15)
Depreciation of right-of-use assets	-	-	(75)	(68)	-	(53)	(75)	(121)
Impairment of VAT receivables	-	-	-	-	(188)	-	(188)	-
Loss on termination of lease	-	-	-	-	-	(3)	-	(3)

#### 4.1 Reportable Segments (cont'd)

The segment analysis on the Group's results for six months ended 30 June 2023 ("HY2023") and 30 June 2022 ("HY2022") are as follows:-

Group	Healthcare		Corporate		Outsourced Services		Combined	
	HY2023 RM'000	HY2022 RM'000	HY2023 RM'000	HY2022 RM'000	HY2023 RM'000	HY2022 RM'000	HY2023 RM'000	HY2022 RM'000
<b>REVENUE</b>								
Total sales	510	257	-	-	384	1,109	894	1,366
Inter-segment sales	-	-	-	-	(3)	(32)	(3)	(32)
External sales	510	257	-	-	381	1,077	891	1,334
<b>RESULTS</b>								
Segment results	(1,193)	(1,468)	(2,316)	(797)	(567)	(123)	(4,076)	(2,388)
Finance costs	(10)	(34)	(347)	(142)	-	(6)	(357)	(182)
Taxation	(1,203)	(1,502)	(2,663)	(939)	(567)	(129)	(4,433)	(2,570)
Loss for the period							(4,433)	(2,570)
Loss attributable to								
- owners of the Company							(4,433)	(2,570)
- non-controlling interest								
Loss for the period							(4,433)	(2,570)
Depreciation of property, plant and equipment	(24)	(17)	(17)	(7)	(1)	(1)	(42)	(25)
Depreciation of right-of-use assets	-	-	(144)	(133)	-	(131)	(144)	(264)
Impairment of VAT receivables	-	-	-	-	(188)	-	(188)	-
Loss on termination of lease	-	-	-	-	-	(3)	-	(3)

#### 4.1 Reportable Segments (cont'd)

The segment analysis on the Group's assets and liabilities as at 30 June 2023 and 31 December 2022 are as follows:-

Group	Healthcare		Corporate		Outsourced Services		Combined	
	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
	<b>Assets</b>							
Segment assets	568	548	1,652	927	219	701	2,439	2,176
Sub-Total	568	548	1,652	927	219	701	2,439	2,176
Unallocated assets							-	-
<b>Consolidated total assets</b>							<b>2,439</b>	<b>2,176</b>
<b>Liabilities</b>								
Segment liabilities	1,995	2,486	9,338	6,870	1,250	1,520	12,583	10,876
Sub-Total	1,995	2,486	9,338	6,870	1,250	1,520	12,583	10,876
Unallocated liabilities							10	11
<b>Consolidated total liabilities</b>							<b>12,593</b>	<b>10,887</b>

#### 4.2 Disaggregation of revenue

<u>Group</u>	3 months ended			6 months ended		
	30 June ("2Q")			30 June ("HY")		
	2Q2023	2Q2022	Change	HY2023	HY2022	Change
	RM'000	RM'000	+/(-)%	RM'000	RM'000	+/(-)%
Rendering of confinement centre services – Over time	49	97	(49.5)	240	190	26.3
Rendering of permanent placement services – Over time	196	403	(51.4)	330	696	(52.6)
Rendering of human resource and payroll services – Over time	24	177	(85.9)	51	381	(86.6)
Rendering of chiro & physio services – Point in time	34	18	88.9	64	35	82.9
Sale of related products – Point in time	198	19	936.8	206	32	543.8
	501	714	(29.8)	891	1,334	(33.2)

#### 4.3 Geographical Segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers.

<u>Group</u>	3 months ended		6 months ended	
	30 June ("2Q")		30 June ("HY")	
	2Q2023	2Q2022	HY2023	HY2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	283	185	516	404
Singapore	218	529	375	930
<b>Total revenue</b>	<b>501</b>	<b>714</b>	<b>891</b>	<b>1,334</b>

#### 5. Loss before tax

Loss for the financial period is arrived after charging the following:

<u>Group</u>	3 months ended			6 months ended		
	30 June ("2Q")			30 June ("HY")		
	2Q2023	2Q2022	Change	HY2023	HY2022	Change
	RM'000	RM'000	+/(-)%	RM'000	RM'000	+/(-)%
Rental income	64	-	n.m.	105	-	n.m.
Interest expense	(242)	(86)	181.4	(357)	(182)	96.2
Depreciation of property, plant and equipment	(22)	(15)	46.7	(42)	(25)	68.0
Depreciation of right-of-use asset	(75)	(121)	(38.0)	(144)	(264)	(45.5)
Loss on termination of lease	-	(3)	n.m.	-	(3)	n.m.
Impairment of trade receivables	(188)	-	n.m.	(188)	-	n.m.

#### 6. Trade receivables

	Company		Group	
	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Third parties	-	-	1,014	1,205
Provision for doubtful debts – trade	-	-	(769)	(581)
	-	-	245	624

The trade receivables are derived from the Outsourced Services segment. Management applied the "simplified approach" for assessing expected credit losses for trade receivables from third parties. Under the simplified approach, the Group's management developed a provision matrix using historical credit loss rates adjusted with forward looking information to

reflect the effects of the current and future economic conditions, economic factors impacted by global events and externalities. The main factors considered in determining the lifetime expected credit losses for these customers are debts past due more than 6 months and there was currently uncertainty over the recoverability of the debts.

## 7. Other receivables and prepayments

	Company		Group	
	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Deposits	-	-	133	124
Prepayments	46	45	70	93
Accrued revenue	-	-	-	2
Amount owing by subsidiaries	520	-	-	-
Others	7	-	-	1
	<u>573</u>	<u>45</u>	<u>203</u>	<u>220</u>

## 8. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired property, plant and equipment amounting to RM25,000 (30 June 2022: RM85,000) comprising mainly computer software and office equipment.

## 9. Right-of-use assets

<u>Group</u>	Office unit RM'000	Confinement centre RM'000	Integrated units RM'000	Total RM'000
<b>Cost:</b>				
At 1 January 2022	387	1,752	795	2934
Additions	-	-	-	-
Termination of lease	(387)	(1,752)	-	(2,139)
Currency translation difference	-	-	39	39
At 31 December 2022	-	-	834	834
Additions	-	-	-	-
Currency translation difference	-	-	(37)	(37)
At 30 June 2023	-	-	797	797
<b>Accumulated depreciation:</b>				
At 1 January 2022	77	531	159	767
Depreciation for the year	133	-	270	403
Termination of lease	(210)	(531)	-	(741)
Currency translation difference	-	-	14	14
At 31 December 2022	-	-	443	443
Depreciation for the period	-	-	144	144
Currency translation difference	-	-	(48)	(48)
At 30 June 2023	-	-	539	539
<b>Impairment:</b>				
At 1 January 2022	-	1,221	-	1,221
Impairment during the year	-	-	46	46
Termination of lease	-	(1,221)	-	(1,221)
At 31 December 2022	-	-	46	46
Impairment during the period	-	-	-	-
At 30 June 2023	-	-	46	46
<b>Carrying amount:</b>				
At 30 June 2023	-	-	212	212
At 31 December 2022	-	-	345	345

## 10. Intangible Assets

During the 12 months ended 31 December 2021, the Group has launched a genetic screening service for Malaysia and Singapore markets under the brand name, Qodify where the intangible asset represents the purchase of brand name and internet platform from Malaysia Genomics Resources Berhad, a listed company in Malaysia. The aforementioned intangible assets are not ready for use. Hence, no amortisation of intangible assets was recorded for the current financial period.

## 11. Other payables and other provisions

	Company		Group	
	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
Amount owing to directors	362	345	1,858	1,858
Amount owing to subsidiaries	3	3	-	-
Service tax payable	-	-	4	5
Accruals	935	973	1,344	2,111
Other payables	369	1,100	2,363	3,232
Others	-	-	-	38
	<u>1,669</u>	<u>2,421</u>	<u>5,569</u>	<u>7,244</u>

The amount owing to Directors of the Company relate to reimbursable disbursements incurred for business use and are repayable on demand.

## 12. Borrowings

In relation to the aggregate amount of the Group's borrowings and debt securities, the following are convertible loans, convertible bonds, short and medium term loans outstanding at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Group and Company	Convertible Loan (RM'000)
At 1 January 2022	2,438
Proceeds from issue of convertible loans	2,128
Accumulated interest	240
Repayment of convertible loans (principal and accumulated interest)	(1,300)
Fair value adjustment through profit or loss	(347)
Gain arising from loan extinguishment	(204)
Currency translation difference	148
At 31 December 2022	<u>3,103</u>
Proceeds from issue of convertible loans	332
Proceeds from a medium-term loan	332
Proceeds from a short-term loan	1,047
Proceeds from issue of convertible bonds	5,186
Repayment of convertible loans (principal and accumulated interest)	(817)
Conversion to shares in the Company	(3,107)
Accumulated interest	347
Currency translation difference	165
At 30 June 2023	<u>6,588</u>
Amount repayable in one year or less, or on demand	<u>3,388</u>
Amount repayable after one year	<u>3,200</u>

Note: Convertible loans include accrued interests and recorded at fair value of the liability component. The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date

of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves

### **Details of Borrowings**

(a) **January 2021 convertible loan agreements**

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S\$2.25 million ("**29 Jan 2021 CLAs**"). The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company at the conversion price of S\$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021). Please refer to the Company's announcement dated 29 January 2021, 4 February 2021, 1 April 2021 and 12 April 2021 for more information.

As at 31 December 2021, S\$2.25 million of the convertible loans has been received by the Group and the Company received a Conversion Notice from I Concept Global Growth Fund ("I Concept") to convert a loan principal sum of S\$1.6 million ("Conversion Amount") into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S\$0.0398 per ordinary share in favour of I Concept. Please refer to the Company's announcement dated 31 December 2021 for more information.

On 7 November 2022, the Company entered into supplemental agreements with each Wong Soh Shyan and Wong Chui Chui, who were lenders of the 29 Jan 2021 CLAs, to extend the maturity date of amounts totaling S\$200,000 till 31 October 2025. More details can be found in the Company's announcement dated 8 November 2022.

(b) **October 2022 convertible loan agreements**

In October 2022, the Company entered into non-redeemable convertible loan note agreements ("CLNAs") with 6 lenders, for an aggregate principal amount of S\$647,000 (RM2,128,000). These CLNAs have a tenure of two (2) years and the Company has the option to convert the principal amount into new ordinary shares of the Company prior to the maturity date. Please refer to the Company's announcement dated 14, 18 and 31 October 2022 for more information.

(c) **Feb 2023 convertible loan agreement**

On 17 February 2023, the Company entered into a non-redeemable convertible loan note agreement ("CLNA") with a lender for an aggregate principal amount of S\$100,000 (RM332,000). The CLNA has a tenure of two (2) years and the Company has the option to convert the principal amount into new ordinary shares of the Company prior to the maturity date. Please refer to the Company's announcement dated 17 February 2023 for more information.

(d) **March 2023 loan agreement**

On 1 March 2023, Wong Soh Shyan extended a loan of S\$100,000 (RM332,000) to the Company. The loan has a 10% interest per annum and shall be repayable within 3 years from the date of the drawdown.

(e) **March 2023 short term loan agreement**

On 31 March 2023, the Company entered into a short term loan ("**STL**") agreement with a lender for an aggregate principal of S\$300,000 (RM1,047,000) at an interest of 2.5% per month and shall be payable within 4 months from the date of the drawdown. As at the date of this announcement, this STL has been fully repaid.

(f) **S\$30 million convertible bond issuance**

In an extraordinary general meeting held on 28 April 2023, shareholders of the Company approved the issuance of Convertible Bonds of a principal amount of up to S\$30,000,000 to 2 Aces Premier Equity Fund. On 29 April 2023, the Company received from SGX-ST the approval for up to 1,500,000,000 Conversion Shares; and up to 27,583,058 Adjustment Shares to be issued pursuant to adjustments made to the outstanding convertible securities in relation to the Convertible Bonds Subscription Agreement entered between 2 Aces Premier Equity Fund and the Company.

On 19 May 2023, the Company issued Convertible Bonds with an aggregate principal of S\$1.5 million to 2 Aces Premier Equity Fund. As at 30 June 2023, the Company, upon receipt of conversion notices, had converted Convertible Bonds with an aggregate principal of S\$0.9 million into shares with the allotment and issuance of 35,778,059 new ordinary shares in the Company.



### 13. Lease liabilities

The Group as lessee:

Group	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
<b>Lease Liabilities</b>		
Maturity analysis:		
Year 1	298	308
Year 2	-	135
	298	443
Less: Unearned interest	(8)	(19)
	290	424
Analysed as:		
Current	283	293
Non-current	7	131
	290	424

### 14. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Company		Group	
	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)	As at 30 June 2023 RM'000 (Unaudited)	As at 31 December 2022 RM'000 (Audited)
<b>Financial Assets</b>				
Financial assets at amortised cost	1,624	13	1,702	1,261
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost	1,669	2,421	5,705	7,282
Borrowings	6,588	3,103	6,588	3,103
Lease liabilities	-	-	290	424
	-	-	290	424

Financial assets consist of cash and bank balances, trade and other receivables, excluding prepayments, prepaid leases, tax recoverable and value-added tax receivables. Financial liabilities consist of convertible loans, trade and other payables and advances from a related party excluding value-added tax payables, withholding tax and income tax payable.

### 15. Subsequent events

On 10 July 2023, the Company issued Convertible Bonds with an aggregate principal of S\$0.5 million to 2 Aces Premier Equity Fund.

Upon receiving conversion notices on 7 July 2023, 10 July 2023 and 2 August 2023, the Company had converted Convertible Bonds with an aggregate principal of S\$0.4 million with the allotment and issuance of 19,154,515 new ordinary shares in the Company. For further information, kindly refer to the announcements dated 10 July 2023, 11 July 2023, and 4 August 2023.

## F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

1. 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.

	Number of shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital of the Company as at 31 December 2022 (excluding treasury shares). No of issued shares before share consolidation on 10 May 2023	597,016,759	49,891,018
Number of consolidated shares after 10:1 share consolidation on 10 May 2023 (excluding treasury shares)	59,701,669	49,891,018
Issuance of new ordinary shares from the conversion of Convertible Bonds	35,778,059	900,000
Issued and paid-up share capital of the Company as at 30 June 2023 (excluding treasury shares)	95,479,728	50,791,018

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S\$2.25 million. The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company ("**Conversion Shares**") at the conversion price of S\$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021). Please refer to the Company's announcement dated 29 January 2021, 4 February 2021, 1 April 2021 and 12 April 2021 for more information. As at 31 December 2021, the Company received a Conversion Notice from I Concept Global Growth Fund ("**I Concept**") to convert a loan principal sum of S\$1.6 million into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S\$0.0398 per ordinary share in favour of I Concept. Please refer to the Company's announcement dated 31 December 2021 for more information. The option to convert the remaining S\$0.65 million into ordinary shares in the Company is no longer valid as the conversion dates to exercise the option has expired.

In October 2022, the Company entered into non-redeemable convertible loan note agreements ("**CLNAs**") with 6 lenders, for an aggregate principal amount of S\$647,000. These CLNAs have a tenure of two (2) and the Company has the option to convert the principal amount into new ordinary shares of the Company prior to the maturity date. Please refer to the Company's announcement dated 14, 18 and 31 October 2022 for more information.

On 17 February 2023, the Company entered into a non-redeemable convertible loan note agreement ("**CLNA**") with a lender for an aggregate principal amount of S\$100,000. The CLNA has a tenure of two (2) years and the Company has the option to convert the principal amount into new ordinary shares of the Company prior to the maturity date. Please refer to the Company's announcement dated 17 February 2023 for more information.

On 15 March 2023, the Company entered into a convertible bond subscription agreement ("**Subscription Agreement**") with 2 Aces Premier Equity Fund, a company incorporated in the Cayman Islands (the "**Subscriber**"). Pursuant to the terms of the Subscription Agreement, the Company has agreed to issue, and the Subscriber has agreed to subscribe for, an aggregate of up to S\$30,000,000 in principal amount of convertible bonds, which are convertible into new ordinary shares in the capital of the Company. On 19 May 2023, the Company issued Convertible Bonds with an aggregate principal of S\$1.5 million to the Subscriber. As at 30 June 2023, on receipt of conversion notices, the Company had converted Convertible Bonds with an aggregate principal of S\$0.9 million into shares by the allotment and issuance of 35,778,059 new ordinary shares of the Company. For more information, please refer to the Company's announcement dated 15 June 2023, 26 June 2023, 28 June 2023, and 3 July 2023.

Save as discussed above, there were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2023. There were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2023.

**The total number of treasury shares as at 30 June 2023 and 31 December 2022 are presented below:**

	<b>As at 30 June 2023</b>	<b>As at 31 December 2022</b>
Total number of treasury shares	20,000 <sup>(1)</sup>	200,000
Total number of ordinary shares	95,479,728	597,016,759
% of treasury shares over total number of ordinary shares	0.02%	0.03%

Note 1. Upon the 10:1 share consolidation on 10 May 2023, the Company's 200,000 treasury shares were consolidated to 20,000 treasury shares.

**2. To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding financial year**

	<b>As at 30 June 2023</b>	<b>As at 31 December 2022</b>
Number of issued shares of the Company	95,499,728	597,216,759
Share buy-backs held as treasury shares	(20,000)	(200,000)
Number of issued shares excluding treasury shares	95,479,728	597,016,759

**3. 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.**

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 30 June 2023.

**4. A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and / or use of subsidiary holdings as at 30 June 2023.

**5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**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.**

Please refer to Section E paragraph 2.4 for the Board's comments on going concern.

Further the Board is of the opinion that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

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

<b>Group</b>	<b>2Q2023 (Malaysia sen)</b>	<b>2Q2022 (Malaysia sen)</b>	<b>HY2023 (Malaysia sen)</b>	<b>HY2022 (Malaysia sen)</b>
Loss per ordinary share for the period based on the net loss attributable to shareholders of the Company:				
(i) Basic	(4.53)	(2.25)	(7.30)	(4.65)
(ii) On a fully diluted basis	(4.53)	(2.25)	(7.30)	(4.65)
Weighted average number of ordinary shares <sup>(1)</sup>	61,675,906	55,276,897	60,694,241	55,276,897

Note 1: In accordance with SFRS(I) 1-33 *Earnings per Share*, in view of the 10:1 Share Consolidation on 10 May 2023, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. The per share calculations for the current financial period and prior period financial statements shall be presented based on the new Consolidated Shares.

Basic and diluted loss per ordinary share have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue during the respective periods.

The basic and fully diluted loss per ordinary share for 2Q2023 and 2Q2022, HY2023 and HY2022 were the same as there were no potentially dilutive ordinary shares existing during 2Q2023 and 2Q2022, HY2023 and HY2022 respectively.

**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 period reported on and (b) immediately preceding financial year**

	Net asset value per ordinary share (Malaysian sen)	
	As at 30 June 2023	As at 31 December 2022
Group	(10.6)	(1.5)
Company	2.3	0.3

Net asset value per ordinary share as at 30 June 2023 and 31 December 2022 have been calculated based on the aggregate number of ordinary shares of 95,479,728 and 597,016,759 as at the respective dates, excluding treasury shares.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss 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 Statement of Comprehensive Income**

*Breakdown by business segments*

**Three Months ended 30 June 2023 and 30 June 2022**

Business segment	2Q2023			2Q2022		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
Healthcare services	281	(23)	(8.2)	134	17	12.7
Outsourced services	220	130	59.1	580	190	32.8
<b>Total</b>	<b>501</b>	<b>107</b>	<b>21.3</b>	<b>714</b>	<b>207</b>	<b>29.0</b>

**Six Months ended 30 June 2023 and 30 June 2022**

Business segment	HY2023			HY2022		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
Healthcare services	510	52	10.2	257	3	1.2
Outsourced services	381	(69)	(18.1)	1,077	283	26.3
<b>Total</b>	<b>891</b>	<b>(17)</b>	<b>(1.9)</b>	<b>1,334</b>	<b>286</b>	<b>21.4</b>

*Revenue*

Revenue for the Group in 2Q2023 decreased by 29.8% to RM0.5 million from RM0.7 million in 2Q2022 due mainly to a decrease in revenue from Outsourced services, arising from measures taken in fourth quarter of 2022 that payroll services will not be provided to client accounts until outstanding payments have been settled. This will enable the Group to optimise resources and focus on high-value clients. Revenue from Healthcare services grew by 109.7% to RM0.3 million in 2Q2023 from RM0.1 million in 2Q2022 due mainly to encouraging initial sales of cell-therapy products. For the same reasons, the Group's revenue for HY2023 decreased by 33.2% to RM0.9 million from RM1.3 million in HY2022. Revenue from Outsourced

services declined by 64.6% during the period in review and was partially offset by revenue growth of 98.4% from Healthcare services.

#### *Gross Profit*

The Group's gross profit for 2Q2023 decreased by 48.3% to RM0.1 million from the RM0.2 million gross profit of 2Q2022 due mainly to lower business activities from the Outsourced services segment and a gross loss of RM23 thousand under the Healthcare services segment arising from lower bookings for postpartum services in the Klang Valley which was insufficient to cover the fixed manpower cost of sales. For HY2023 the Group reported a gross loss of RM17 thousand compared to a gross profit of RM0.3 million in HY2022 due mainly to a gross loss of RM69 thousand loss from Outsourced services during HY2023 arising from insufficient revenue to cover cost of sales, albeit an improvement in gross profit margin from 1.2% in HY2022 to 10.2% in HY2023 under the Healthcare services due mainly to encouraging initial sales of cell-therapy products. Accordingly, the Group reported a gross loss margin of 1.9% for HY2023 compared to a gross profit margin of 21.4% for HY2022.

#### *Other Operating Income*

The Group reported other operating income for 2Q2023 of RM64 thousand due to rental income for the sub-lease of an office space in Singapore. In comparison, other operating income of RM136 thousand for 2Q2022 arose mainly from (i) RM98 thousand rental rebate for the Mines2 confinement centre that has since been discontinued and (ii) RM38 thousand of government subsidies for government restrictions on business activities to address the Covid-19 pandemic. Similarly, other operating income for HY2023 of RM115 thousand comprised mainly of (i) RM105 thousand of rental income for the sublease of an office space in Singapore and RM8 thousand of government subsidies related to the Covid-19 pandemic. In comparison other operating income of RM287 thousand for HY2022 comprised mainly of (i) RM210 thousand of rental rebates for the Mines2 confinement centre and (ii) RM76 thousand of Covid-19 related government subsidies.

#### *Administrative Expenses*

Administrative expenses in 2Q2023 increased by 67.2% to RM2.3 million from RM1.4 million in 2Q2022 due mainly to a one-off RM1.2 million legal and fund-raising costs related to the convertible bond and share consolidation exercise that was announced in March 2023. This increase in administrative expenses was partially offset by RM0.2 million decrease in manpower cost from natural attrition of headcount. Depreciation of property plant and equipment ("PPE") for 2Q2023 increased by 46.7% to RM22 thousand from RM15 thousand in 2Q2022 due to acquisition of computer software and office equipment. Depreciation of right-of-use ("ROU") asset decreased by 38.0% to RM75 thousand in 2Q2023 from RM121 thousand in 2Q2022 due to termination of office lease space in Singapore during FY2022.

Administrative expenses in HY2023 increased by 27.7% to RM3.6 million from RM2.9 million due mainly to a one-off RM1.2 million one-off corporate, legal and administrative costs related to the convertible bond and share consolidation exercise announced in March 2023. The increase in administrative expense were partially offset by (i) RM0.5 million decrease in manpower cost from natural attrition of headcount and (ii) RM0.1 million decrease in depreciation of ROU asset due to the termination of office lease space in Singapore during FY2022. Depreciation of PPE for HY2023 increased by 68.0% to RM42 thousand from RM25 thousand due to acquisition of computer software and office equipment.

#### *Exchange Gain/Loss*

The Group recorded an exchange loss of RM273 thousand in 2Q2023 compared to an exchange loss of RM147 thousand in 2Q2022. For HY2023, the Group recorded an exchange loss of RM343 thousand compared to an exchange loss of RM105 thousand for HY2022. The exchange losses for 2Q2023 and HY2023 were due to a continuous strengthening Singapore Dollar against Malaysia Ringgit thereby increasing the costs of other payables that are denominated in Singapore Dollar.

#### *Other Operating Expenses*

Other operating expenses of RM0.2 million for 2Q2023 and HY2023 is in relation to impairment of trade receivables from Outsourced services. Other operating expenses of RM3 thousand for 2Q2022 and HY2022 is in relation to the early termination of an office lease in Singapore that was previously leased for Outsourced services.

#### *Finance Costs*

Finance costs for 2Q2023 increased by 181.4% to RM242 thousand from RM86 thousand in 2Q2022 due mainly to accrued interest on convertible loan notes, short and medium term loans that were entered into during FY2022 and HY2023. For the same reasons, finance cost for HY2023 increased by 96.2% to RM357 thousand from RM182 thousand in HY2022.

### *Loss Before Tax*

For the reasons set out above, the Group recorded a loss before tax of RM2.8 million for 2Q2023 compared to a loss before tax of RM1.2 million for 2Q2022. For HY2023, the Group recorded a loss before tax of RM4.4 million compared to a loss before tax of RM2.6 million for HY2022.

### **Review of Statement of Financial Position**

#### *Current Assets*

The Group's trade receivables decreased to RM0.2 million as at 30 June 2023 from RM0.6 million as at 31 December 2022 due mainly to RM0.2 million settlement of invoices and RM0.2 million impairment of receivables from Outsourced services. The Group's current portion of other receivables and prepayments marginally decreased to RM203 thousand as at 30 June 2023 compared to RM220 thousand as at 31 December 2022 due mainly to expensing of prepayment for third-party services for Healthcare and Corporate segments. Inventories marginally decreased to RM 33 thousand as at 30 June 2023 from RM 37 thousand as at 31 December 2022 due to consumption of materials for the Healthcare business.

#### *Non-Current Assets*

Property plant and equipment ("PPE") marginally decreased to RM223 thousand as at 30 June 2023 from RM240 thousand as at 31 December 2022 due mainly to depreciation charges of RM42 thousand for HY2023 which was partially offset by the acquisition of software and office equipment of RM25 thousand. Right-of-use ("ROU") assets reduced by RM133 thousand to RM212 thousand as at 30 June 2023 from RM345 thousand as at 31 December 2022 due mainly to depreciation charges of RM144 thousand for office space leases in Singapore and Malaysia. Intangible assets of RM0.2 million as at 30 June 2023 and 31 December 2022 relates to the acquisition of an e-Commerce platform to support the marketing and sales of the DNA profiling product "Qodify".

#### *Capital and Reserves*

Share capital of the Company and the Group increased by RM3.1 million to RM130.8 million as at 30 June 2023 from RM127.7 million as at 31 December 2022 due to the conversion of S\$0.9 million of Convertible Bonds into new ordinary shares in the Company. The Group's currency translation reserve as at 30 June 2023 was a deficit of RM0.1 million compared to a deficit of RM23 thousand as at 31 December 2022 due to the strengthening of the Singapore dollar during the period in review.

Accumulated losses for the Group increased by RM4.4 million to RM144.7 million as at 30 June 2023 from RM140.3 million as at 31 December 2022 due to the loss recorded for HY2023.

#### *Non-Current Liabilities and Current Liabilities*

Other payables for the Group as at 30 June 2023 decreased by RM1.7 million to RM5.6 million from RM7.2 million as at 31 December 2022 due to the settlement of RM1.8 million in payables and partially offset by RM0.2 million in currency translation for Singapore Dollar denominated payables. Borrowings increased by RM3.5 million to RM6.6 million as at 30 June 2023 from RM3.1 million as at 31 December 2022 due to (i) raising of RM6.9 million in convertible loan notes, convertible bonds, short and medium term loans; (ii) interest accruals of RM0.4 million; and (iii) currency translation of RM0.2 million; which were partially offset by (i) the conversion of RM3.1 million in convertible bonds into ordinary shares in the Company; and (ii) settlement of RM0.8 million in convertible loans and accrued interest.

Current and non-current lease liabilities as at 30 June 2023 decreased by RM0.1 million to RM0.3 million from RM0.4 million as at 31 December 2022 due mainly to net lease payments of RM0.1 million. Contract liabilities increased to RM130 thousand as at 30 June 2023 from RM99 thousand as at 31 December 2022 due mainly to contractual obligations that are yet to be fulfilled for manpower recruitment services.

### **Review of Statement of Cash Flows**

For 2Q2023 the Group used RM4.1 million in operating activities, mainly due to (i) RM2.3 million operating loss before working capital changes; and (ii) RM1.8 million decrease in trade and other payables. Net cash used in investing activities of RM24 thousand for 2Q2023 was for the acquisition of property, plant and equipment related to office software and equipment. Net cash generated from financing activities of RM5.3 million for 2Q2023 were mainly proceeds from (i) RM5.2 million convertible bonds and (ii) RM1.0 million short-term loan; and partially offset by (i) RM0.8 million repayment of convertible loans and (ii) RM0.1 million repayment of lease liabilities.

For HY2023, the Group used RM5.1 million in operating activities, mainly due to (i) RM3.7 million in operating loss before working capital changes and (ii) RM1.7 million decrease in trade and other payables; which were partially offset by RM0.2 million decrease in trade and other receivables. Net cash used in investing activities of RM25 thousand for HY2023 was for the acquisition of property, plant and equipment related to office software and equipment. Net cash generated from financing activities of RM5.9 million for HY2023 were mainly proceeds from (i) RM5.2 million in convertible bonds; (ii) RM0.3 million in convertible loan note and (iii) RM1.4 million in short and medium term loans; and partially offset by (i) RM 0.8 million repayment of convertible loans and (ii) RM0.2 million repayment of lease liabilities.

As a result of the above, the cash and bank balances was RM1.3 million as at 30 June 2023, compared to RM0.3 million as at 30 June 2022.

**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 trend 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**

**HEALTHCARE BUSINESS OVERVIEW**

The Group is currently focused on preventive healthcare, concentrating on personal wellbeing of individuals, allowing them to have a high-quality healthy lifestyle for as long as possible. This focus allows us to address individuals regardless of age or gender.

**a) Malaysia**

Since the easing of Covid-19 measures, the Group has been focusing on the wellness aspects of preventive healthcare, in particular, chiropractic & physiotherapy services as well as marketing and distribution of cell therapy products. The Group is cautiously optimistic on the future prospects of the Healthcare Business, given the heightened public awareness on personal wellness and wellbeing. At the same time, we are keeping a look out for more opportunities within this sector.

**b) Singapore**

We have started the sales and marketing of cell therapy products in Singapore, collaborating with some distribution networks within the country. We expect to see revenue growth from this sector within the near future.

**OUTSOURCED SERVICES OVERVIEW**

The Group is now focused on providing recruitment services in Singapore in the near term, with expected growth in revenue and recruiters. The Group also has plans to widen its scope for recruitment services to cover other corporate and professional services in the near future.

**BUSINESS SEGMENT DEVELOPMENTS**

*i) Chiropractic & Physiotherapy*

The Group is currently operating 2 chiropractic and physiotherapy centres under the brand name 'Back To Life' ("BTL"). Both centres are located in Petaling Jaya. The month-on-month results have been promising and growing. We are currently on the lookout for more locations and subject to adequate funds raised, the Group plans to open least 2 additional centres within the year.

Chiropractic and physiotherapy services have been heavily sought after in Malaysia for some time and demand is expected to continue to grow for the foreseeable years ahead. The rising trend of an active and sporting lifestyle amongst the young and old has significantly contributed to the high demand for such services. Thus, many new and standalone centres have opened in major population catchment areas to meet market demand.

*ii) Cell-therapy products*

We have started sales and marketing of cell therapy products and are in the midst of discussion with a few more companies in both Singapore and Malaysia for the sales and marketing of these products. Among the range of cell-therapy products, we

have registered the first product called **Exxo Labs** in Singapore, which is concentrated exosomes targeted to promote hair and skin repairs. We have a registered a similar product **Exo+ Serum** in Malaysia.

*iii) Postpartum Care Centres*

The PJ Confinement Centre at SS2 Petaling Jaya, Malaysia continues to operate with seasonal fluctuations. To-date, the centre has received bookings up to fourth quarter of 2023. The Group continues to explore for new postpartum care sites while remaining cautious as the local government firms up regulations on postpartum care services.

*iv) DNA Profiling*

The Group is now focusing on creating awareness and marketing of the Group's DNA profiling products, branded as "Qodify", to the Malaysia market. At an appropriate opportunity and time, the Group intends to roll out the sales of the product more aggressively.

*v) Lansionbio product distribution*

We are still at the stage of application with the Malaysian government on the Lansionbio Dry Fluorescence Immunoassay Analyser ("**Analyser**") Brain Trauma Test Kits. At an appropriate opportunity and time, the Group intends to expand the market for this Analyser to include tests for diabetes, heart and hormonal conditions.

**11. If a decision regarding dividend has been made:**

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

No.

**(b) Previous corresponding period/rate %**

None.

**12. If no dividend has been declared (recommended), a statement to that effect**

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 30 June 2023 as the Group recorded a loss in HY2023.

**13. Related party transactions and Interested Party Transaction ("IPT"). 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**

Save for remuneration of directors and other members of key management during the financial period, there were no other related party transactions.

The Group does not have a general mandate from shareholders for interested person transactions ("**IPTs**") pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). There were no IPTs entered into during the financial period reported on which exceeds S\$100,000 in value.

**14. Use of Proceeds from Share Subscription**

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board of Directors wishes to provide an update on the use of the proceeds arising from:

- (i) the entry into non-redeemable convertible loan note agreements on 14 October 2022, 18 October 2022 and 31 October 2022 ("**Oct 2022 CLNA Announcements**") for interest-bearing non-redeemable convertible loan notes (the "**October 2022 Convertible Loan Notes**") of approximately S\$0.607 million (after deducting expenses of approximately S\$40,000 incurred by the Company in connection with the Convertible Loan Notes) have been utilised as follows:



<b>Use of Proceeds</b>	<b>Amount allocated (as indicated in Oct 2022 CLNA Announcements) (S\$'000)</b>	<b>Amount utilised as at the date of this announcement (S\$'000)</b>	<b>Balance of net proceeds (S\$'000)</b>
(i) Expansion of the Healthcare Business, including renovation and refurbishment of chiropractic centres in Singapore and Malaysia	110	110	-
(ii) Working capital	497	497 <sup>(1)</sup>	-
<b>Total</b>	<b>607</b>	<b>607</b>	<b>-</b>

Note 1. Working capital utilisation has been for (i) payment of professional fees of S\$110 thousand; and (ii) manpower and overheads of S\$387 thousand.

- (ii) the entry into a non-redeemable convertible loan note agreement on 17 February 2023 (“**Feb 2023 CLNA Announcement**”) for interest-bearing non-redeemable convertible loan note (the “**February 2023 Convertible Loan Note**”) of approximately S\$0.09 million (after deducting expenses of approximately S\$10,000 incurred by the Company in connection with the Convertible Loan Note) have been utilised as follows:

<b>Use of Proceeds</b>	<b>Amount allocated (as indicated in Feb 2023 CLNA Announcement) (S\$'000)</b>	<b>Amount utilised as at date of this announcement (S\$'000)</b>	<b>Balance of net proceeds (S\$'000)</b>
(i) Expansion of the Healthcare Business, including renovation and refurbishment of chiropractic centres in Singapore and Malaysia	20	20	-
(ii) Working capital	70	70	-
<b>Total</b>	<b>90</b>	<b>90</b>	<b>-</b>

Note 1. Working capital utilisation has been for payment of professional fees of S\$70 thousand.

- (iii) the entry into a subscription agreement on 15 March 2023 for the subscription of Convertible Bonds with an aggregate principal of up to S\$30 million. In the circular dated 13 April 2023 (the “**Circular**”), the Minimum Scenario aggregate net proceeds of S\$1,752,000 (after deducting expenses of approximately S\$248,000 incurred by the Company in connection with the Convertible Bonds) have been utilised as follows:

<b>Use of Proceeds</b>	<b>Amount allocated (as indicated in the Circular) (S\$'000)</b>	<b>Amount utilised as at date of this announcement (S\$'000)</b>	<b>Balance of net proceeds (S\$'000)</b>
(i) Repayment of Convertible Loans	250	237	13
(ii) Expansion of the Healthcare business including renovation and refurbishment of chiropractic centres	350	50	300
(iii) Working capital	1,152	1,028	124
<b>Total</b>	<b>1,752</b>	<b>1,315</b>	<b>437</b>

Note 1. Working capital utilisation has been for (i) payment of professional fees of S\$230 thousand, (ii) director and staff remuneration of S\$495 thousand and (iii) overheads of S\$303 thousand

**15. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules**

We, Low Koon Poh and Harry Ng, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the second quarter and half year ended 30 June 2022 to be false or misleading in any material aspect.

**16. 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 all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

**ON BEHALF OF THE BOARD OF DIRECTORS**

LOW KOON POH EXECUTIVE CHAIRMAN & CEO	HARRY NG LEAD INDEPENDENT DIRECTOR
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Date: 14 August 2023

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*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").*

*This announcement has not been examined or approved by the Exchange and the Exchange 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. Charmian Lim, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.*

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