



Niks Professional Ltd.

新加坡阅肤有限公司

Company Registration Number: 199804609D

Registered Address: 825 Tampines Street 81 #01-64, Tampines Grove, Singapore 520825

**Condensed Interim Financial Statements (“Interim FS”)
As at and for the 2nd Half Year (“2H 2023”) and Full Year (“FY2023”) Ended 31 December 2023**

About Niks Professional

Niks Professional Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is a trusted and established family practice dermatology and aesthetic medical services provider that also offers a comprehensive range of medical skincare products and salon services to complement medical solutions.

In Singapore, the Group operates clinics and shop salon outlets retailing Niks skincare products and offering facial services. The Group also operates an online store on their website, and supplies Niks skincare products to third-party medical clinics and beauty salons.

In China, the Group distributes Niks skincare products to regional agents, which in turn supply the products to hospitals, clinics, pharmacies, retail shops, doctors and end-consumers in their provinces and municipalities. The Group also sells directly via its sales channels to doctors and doctor groups, as well as to end-consumers.

The Company was incorporated in Singapore on 22 September 1998 under the Companies Act 1967 of Singapore as a private company limited by shares under the name of "Niks Professional Pte Ltd" and was listed on the Catalist of the SGX-ST on 27 October 2023, pursuant to an initial public offering (“**IPO**”) exercise. The Company undertook an internal restructuring to rationalise the Group structure in preparation for the Company’s IPO as disclosed in the Company’s offer document dated 18 October 2023 (the “**Offer Document**”). The Company was converted into a public limited company on 13 October 2023 and the Company’s name was changed to “Niks Professional Ltd.”. Please refer to page 64 of the Offer Document and Note 17 of the Interim FS for further details on the internal restructuring.

*This announcement has been prepared by Niks Professional Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.*

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Statement of Comprehensive Income

Notes	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %	
	2H 2023 S\$'000	2H 2022 S\$'000		FY2023 S\$'000	FY2022 S\$'000		
Revenue	5	5,538	5,495	0.8	10,854	11,095	(2.2)
Interest income		118	47	151.1	210	75	180.0
Other income and gains	6.1	450	78	NM	577	252	NM
Changes in inventories		40	423	(90.5)	(25)	8	NM
Purchases and related costs		(870)	(1,188)	(26.8)	(1,593)	(1,681)	(5.2)
Employee benefits expense		(2,455)	(2,234)	9.9	(4,768)	(4,429)	7.7
Depreciation	6.1	(425)	(367)	15.8	(740)	(791)	(6.4)
Other losses	6.1	(116)	(64)	NM	(111)	(75)	NM
Finance costs	6.1	(41)	(38)	7.9	(76)	(77)	(1.3)
Other expenses	6.1	(1,390)	(802)	73.3	(2,099)	(1,095)	91.7
Profit before income tax		849	1,350	(37.1)	2,229	3,282	(32.1)
Income tax expense	7	(237)	(92)	157.6	(488)	(406)	20.2
Profit for the period		612	1,258	(51.4)	1,741	2,876	(39.5)
Profit attributable to:							
Owners of the Company		591	1,194	(50.5)	1,686	2,763	(39.0)
Non-controlling interest		21	64	(67.2)	55	113	(51.3)
Profit for the period		612	1,258	(51.4)	1,741	2,876	(39.5)
Other comprehensive income:							
<u>Items that may be reclassified subsequently to</u>							
Foreign currency translation differences		(4)	(151)	NM	(40)	(170)	NM
Other comprehensive income		(4)	(151)	NM	(40)	(170)	NM
Total comprehensive income for the period		608	1,107	(45.1)	1,701	2,706	(37.1)
Total comprehensive income attributable to:							
Owners of the Company		587	1,043	(43.7)	1,646	2,593	(36.5)
Non-controlling interest		21	64	(67.2)	55	113	(51.3)
		608	1,107	(45.1)	1,701	2,706	(37.1)

2H 2022 - 2nd half year ended 31 December 2022
FY2022 - Full year ended 31 December 2022
NM - Not meaningful

Note:

For illustrative purpose only, these adjustments show what the profit attributable to owners of the Company would have been in the absence of non-recurring IPO-related income and expenses.

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	2H 2023 S\$'000	2H 2022 S\$'000		FY2023 S\$'000	FY2022 S\$'000	
Profit attributable to owners of the Company ("NPAT")	591	1,194	(50.5)	1,686	2,763	(39.0)
Adjustments:						
Non-recurring IPO expenses	701	386	NM	931	386	NM
IPO-related government grant income	(300)	-	NM	(300)	-	NM
IPO-related share-based payment	157	-	NM	157	-	NM
Adjusted NPAT	1,149	1,580	(27.3)	2,474	3,149	(21.4)

Statement of Financial Position

Notes	Group		Company		
	31	31	31	31	
	December 2023 S\$'000	December 2022 S\$'000	December 2023 S\$'000	December 2022 S\$'000	
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	12	10,970	10,904	10,918	7,257
Investment property	13	-	-	-	3,644
Investment in subsidiaries	14	-	-	1,050	928
Deferred tax assets		44	44	44	44
Other assets		102	100	102	100
Total non-current assets		11,116	11,048	12,114	11,973
<u>Current assets</u>					
Inventories	15	1,842	1,952	1,582	1,577
Trade and other receivables	16	586	410	596	477
Cash and cash equivalents		9,086	12,371	7,632	11,212
Total current assets		11,514	14,733	9,810	13,266
Total assets		22,630	25,781	21,924	25,239
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	17	6,475	1,220	6,475	1,220
Retained earnings		13,066	20,880	12,367	20,958
Foreign currency translation reserve	18	(19)	21	-	-
Share-based payment reserve		157	-	157	-
Other reserves	18	(297)	-	-	-
Equity, attributable to owners of the Company		19,382	22,121	18,999	22,178
Non-controlling interest		-	205	-	-
Total equity		19,382	22,326	18,999	22,178
<u>Non-current liabilities</u>					
Deferred tax liabilities		-	-	-	-
Lease liabilities	19	912	1,019	889	1,019
Total non-current liabilities		912	1,019	889	1,019
<u>Current liabilities</u>					
Income tax payable		445	512	414	472
Trade and other payables	20	1,070	1,286	828	988
Lease liabilities	19	522	338	495	331
Other liabilities	21	299	300	299	251
Total current liabilities		2,336	2,436	2,036	2,042
Total liabilities		3,248	3,455	2,925	3,061
Total equity and liabilities		22,630	25,781	21,924	25,239

Statement of Changes in Equity

Group	Attributable to owners of the Company							Non-controlling interest	Total equity
	Share capital	Retained earnings	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Total			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
At 1 January 2022	1,220	21,777	191	-	-	23,188	235	23,423	
Total comprehensive income for the period	-	1,569	(19)	-	-	1,550	49	1,599	
At 30 June 2022	1,220	23,346	172	-	-	24,738	284	25,022	
Total comprehensive income for the period	-	1,194	(151)	-	-	1,043	64	1,107	
Dividends	-	(3,660)	-	-	-	(3,660)	(143)	(3,803)	
At 31 December 2022	1,220	20,880	21	-	-	22,121	205	22,326	
At 1 January 2023	1,220	20,880	21	-	-	22,121	205	22,326	
Total comprehensive income for the period	-	1,095	(36)	-	-	1,059	34	1,093	
Dividends	-	-	-	-	-	-	(82)	(82)	
At 30 June 2023	1,220	21,975	(15)	-	-	23,180	157	23,337	
Total comprehensive income for the period	-	591	(4)	-	-	587	21	608	
Issue of shares pursuant to IPO	5,014	-	-	-	-	5,014	-	5,014	
Share issue expenses	(436)	-	-	-	-	(436)	-	(436)	
Issue of shares for acquisition of non-controlling interest	441	-	-	-	(297)	144	(144)	-	
Conversion of convertible loans	236	-	-	-	-	236	-	236	
Share-based payment expense	-	-	-	157	-	157	-	157	
Dividends	-	(9,500)	-	-	-	(9,500)	(34)	(9,534)	
At 31 December 2023	6,475	13,066	(19)	157	(297)	19,382	-	19,382	

Company	Share capital	Retained earnings	Share-based payment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
	At 1 January 2022	1,220	21,850	-
Total comprehensive income for the period	-	1,168	-	1,168
At 30 June 2022	1,220	23,018	-	24,238
Total comprehensive income for the period	-	1,600	-	1,600
Dividends	-	(3,660)	-	(3,660)
At 31 December 2022	1,220	20,958	-	22,178
At 1 January 2023	1,220	20,958	-	22,178
Total comprehensive income for the period	-	1,037	-	1,037
At 30 June 2023	1,220	21,995	-	23,215
Total comprehensive income for the period	-	(128)	-	(128)
Issue of shares pursuant to IPO	5,014	-	-	5,014
Share issue expenses	(436)	-	-	(436)
Issue of shares for acquisition of non-controlling interest	441	-	-	441
Conversion of convertible loans	236	-	-	236
Share-based payment expense	-	-	157	157
Dividends	-	(9,500)	-	(9,500)
At 31 December 2023	6,475	12,367	157	18,999

Statement of Cash Flows

	Group			
	2H 2023	2H 2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	849	1,350	2,229	3,282
<u>Adjustments for:</u>				
Interest income	(118)	(47)	(210)	(75)
Interest expense	41	38	76	77
Share-based payment, equity-settled	157	-	157	-
Depreciation of property, plant and equipment	425	367	740	791
Loss on disposal of property, plant and equipment	-	-	-	4
Allowance for impairment of inventories	85	-	85	-
Operating cash flows before changes in working capital	1,439	1,708	3,077	4,079
<u>Changes in working capital:</u>				
Inventories	(40)	(377)	25	(8)
Trade and other receivables	228	83	(97)	(185)
Other assets	(2)	-	(2)	(24)
Trade and other payables	181	361	(254)	(56)
Other liabilities	(3)	74	(1)	74
Net cash generated from operations	1,803	1,849	2,748	3,880
Income tax paid	(229)	(247)	(555)	(524)
Net cash from operating activities	1,574	1,602	2,193	3,356
Cash flows from investing activities				
Purchase of property, plant and equipment	(294)	-	(300)	(63)
Disposal of property, plant and equipment	-	-	-	16
Interest received	65	3	131	31
Net cash (used in)/ from investing activities	(229)	3	(169)	(16)
Cash flows from financing activities				
Dividends paid to owners of the Company	(9,500)	(3,660)	(9,500)	(3,660)
Dividends paid to non-controlling interest	(34)	(143)	(116)	(143)
Proceeds from convertible loans	236	-	236	-
Payment of lease liabilities	(253)	(162)	(430)	(322)
Interest paid	(41)	(38)	(76)	(77)
Issue of shares, net of share issue expense	4,578	-	4,578	-
Net cash used in financing activities	(5,014)	(4,003)	(5,308)	(4,202)
Net decrease in cash and cash equivalents	(3,669)	(2,398)	(3,284)	(862)
Cash and cash equivalents, beginning balance	12,785	14,799	12,371	13,263
Effects of exchange rate fluctuation	(30)	(30)	(1)	(30)
Cash and cash equivalents, ending balance	9,086	12,371	9,086	12,371

Selected Notes to the Interim FS

1 Corporate information

Niks Professional Ltd. (the “**Company**”) is incorporated and domiciled in Singapore whose shares are publicly traded in the Catalist of the Singapore Exchange. The registered office of the Company is at 825 Tampines Street 81, #01-64, Tampines Grove, Singapore 520825 and its principal place of business at 16 Kallang Place #03-27 Singapore 339156.

The principal activities of the Group and Company are operation of medical clinics focusing on aesthetic medical and dermatological services as well as to carry on the business as wholesalers, retailers, importers, exporters and distributors of cosmetics and skincare products.

2 Basis of preparation

This Interim FS have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The Interim FS 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 since the financial year end date of the most recently audited annual financial statements (i.e. 31 December 2022) as set out in the Offer Document.

The accounting policies and methods of computation applied in the Interim FS are consistent with those of the most recently audited annual financial statements which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The Interim FS are presented in Singapore dollar (“**S\$**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (S\$’000), except when otherwise stated.

2.1 New and amended standards adopted by the Group

A number of new standards and amendments to standard have been issued and are effective for annual periods beginning on or after 1 January 2023. The adoption of these new and amended standards did not result in changes to the Group’s accounting policies and has no material effect on the disclosures or on the amounts reported.

2.2 Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below.

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclose with further details in the relevant notes to the Interim FS.

Impairment of non-financial assets

The carrying values of non-financial assets, including property, plant and equipment, are tested for impairment whenever there is any objective evidence or indication that the non-financial assets may be impaired. The determination and derivation of the relevant inputs require significant judgement. Such impairment would take into account the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the assets and changes to the expected usage to the assets, if any.

Nik\$ Scheme

The Group's Nik\$ Scheme allows customers to pay for purchases of Niks skincare products at any Niks Maple Clinic or Niks Shop Salon, at the rate of 1 NIK\$ = S\$1. A portion of revenue attributable to the Nik\$ Scheme benefits is deferred until they are utilised and recognised as a contract liability. The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

Allowance for inventories obsolescence

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories and obsolescence, and an allowance is recorded against the inventory balances for any such instances.

3 Seasonal operations

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

4 Segment and revenue information

The Group is organised into the following key operating segments:

a) Clinics

Provision of family practice dermatology and aesthetic medical services and sale of skincare and beauty products and medicines at the Group's medical clinics.

b) Retail

Sale of skincare and beauty products and provision of facial services at the Group's salons and retail outlets

c) Headquarters

Distribution of skincare and beauty products to customers (including medical clinics and beauty salons) in Singapore and China and sale of the products to end-customers in Singapore through the Company's online sale platforms.

'Others' comprise mainly corporate activities and items relating to investment activities including rental generated from and expenses incurred on leasehold properties.

These operating segments are reported in a manner consistent with internal reporting provided to the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Profit or loss and other material items:

	<u>Clinics</u>		<u>Retail</u>		<u>Headquarters</u>		<u>Others</u>		<u>Total</u>	
	2H 2023 S\$'000	2H 2022 S\$'000	2H 2023 S\$'000	2H 2022 S\$'000	2H 2023 S\$'000	2H 2022 S\$'000	2H 2023 S\$'000	2H 2022 S\$'000	2H 2023 S\$'000	2H 2022 S\$'000
Revenue by segment	3,424	3,323	1,166	1,099	1,361	2,106	-	-	5,951	6,528
Intersegment sales	-	-	-	-	(413)	(1,033)	-	-	(413)	(1,033)
Total revenue	<u>3,424</u>	<u>3,323</u>	<u>1,166</u>	<u>1,099</u>	<u>948</u>	<u>1,073</u>	-	-	<u>5,538</u>	<u>5,495</u>
Recurring EBITDA	1,482	1,473	563	536	395	537	(1,243)	(838)	1,197	1,708
Depreciation	(248)	(177)	(94)	(109)	(25)	(27)	(58)	(54)	(425)	(367)
Interest income	-	-	-	-	-	-	118	47	118	47
Finance costs	(27)	(21)	(11)	(14)	(2)	(1)	(1)	(2)	(41)	(38)
Profit before tax	<u>1,207</u>	<u>1,275</u>	<u>458</u>	<u>413</u>	<u>368</u>	<u>509</u>	<u>(1,184)</u>	<u>(847)</u>	<u>849</u>	<u>1,350</u>
Income tax expense									(237)	(92)
Profit, net of income tax									<u>612</u>	<u>1,258</u>
Capital expenditure:										
Purchase of property, plant and equipment	211	-	55	-	-	-	28	-	294	-
Additions to right-of-use assets	432	-	-	-	-	-	-	-	432	-

	<u>Clinics</u>		<u>Retail</u>		<u>Headquarters</u>		<u>Others</u>		<u>Total</u>	
	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Revenue by segment	6,808	6,684	2,216	2,082	3,066	4,316	-	-	12,090	13,082
Intersegment sales	-	-	-	-	(1,236)	(1,987)	-	-	(1,236)	(1,987)
Total revenue	<u>6,808</u>	<u>6,684</u>	<u>2,216</u>	<u>2,082</u>	<u>1,830</u>	<u>2,329</u>	-	-	<u>10,854</u>	<u>11,095</u>
Recurring EBITDA	2,956	3,118	1,023	875	723	1,195	(1,867)	(1,113)	2,835	4,075
Depreciation	(394)	(382)	(184)	(228)	(50)	(57)	(112)	(124)	(740)	(791)
Interest income	-	-	-	-	-	-	210	75	210	75
Finance costs	(46)	(44)	(23)	(28)	(4)	(2)	(3)	(3)	(76)	(77)
Profit before tax	<u>2,516</u>	<u>2,692</u>	<u>816</u>	<u>619</u>	<u>669</u>	<u>1,136</u>	<u>(1,772)</u>	<u>(1,165)</u>	<u>2,229</u>	<u>3,282</u>
Income tax expense									(488)	(406)
Profit, net of income tax									<u>1,741</u>	<u>2,876</u>
Capital expenditure:										
Purchase of property, plant and equipment	212	8	57	11	-	36	31	8	300	63
Additions to right-of-use assets	432	109	-	36	75	36	-	90	507	271

4.2 Assets and liabilities

	Clinics		Retail		Headquarters		Others		Total	
	31	31	31	31	31	31	31	31	31	31
	December	December	December	December	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	5,898	5,665	2,662	2,810	652	798	4,288	4,093	13,500	13,366
Deferred tax assets									44	44
Cash and cash equivalents									9,086	12,371
Total assets									<u>22,630</u>	<u>25,781</u>
Segment liabilities	1,605	1,458	578	694	357	360	263	431	2,803	2,943
Income tax payable									445	512
Total liabilities									<u>3,248</u>	<u>3,455</u>

4.3 Geographical segments

Segment revenue is based on the geographical location of customers and segment non-current assets (excluding financial instruments and deferred tax assets) are based on geographical location of the non-current assets.

	2H 2023	2H 2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue:</u>				
Singapore	4,745	4,531	9,272	8,968
China	793	964	1,582	2,127
	<u>5,538</u>	<u>5,495</u>	<u>10,854</u>	<u>11,095</u>

	31 December	31 December
	2023	2022
	S\$'000	S\$'000
<u>Non-current assets:</u>		
Singapore	11,064	11,045
China	52	3
	<u>11,116</u>	<u>11,048</u>

5 Revenue

Group	2H 2023	2H 2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods:				
- Clinics	2,509	2,443	5,005	5,003
- Retail	999	954	1,887	1,797
- Headquarters	948	1,073	1,830	2,329
	<u>4,456</u>	<u>4,470</u>	<u>8,722</u>	<u>9,129</u>
Rendering of services:				
- Clinics	915	880	1,803	1,681
- Retail	167	145	329	285
	<u>1,082</u>	<u>1,025</u>	<u>2,132</u>	<u>1,966</u>
Total	<u>5,538</u>	<u>5,495</u>	<u>10,854</u>	<u>11,095</u>
Timing of revenue recognition:				
At point in time	<u>5,538</u>	<u>5,495</u>	<u>10,854</u>	<u>11,095</u>

6 Profit, net of tax

6.1 Significant items

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	2H 2023 S\$'000	2H 2022 S\$'000		FY2023 S\$'000	FY2022 S\$'000	
Other income and gains						
IPO-related government grant income	300	-	NM	300	-	NM
Other government grant income	58	13	NM	110	131	NM
Rental income	69	59	16.9	135	115	17.4
Sundry income	23	6	NM	32	6	NM
	<u>450</u>	<u>78</u>	NM	<u>577</u>	<u>252</u>	NM
Depreciation						
Depreciation of property, plant and equipment	175	180	(2.8)	307	419	(26.7)
Depreciation of right-of-use assets	250	187	33.7	433	372	16.4
	<u>425</u>	<u>367</u>	15.8	<u>740</u>	<u>791</u>	(6.4)
Other losses						
Allowance for impairment of inventories	85	-	NM	85	-	NM
Loss on disposal of property, plant and equipment	-	-	NM	-	4	NM
Foreign exchange adjustment losses	31	64	(51.6)	26	71	(63.4)
	<u>116</u>	<u>64</u>	NM	<u>111</u>	<u>75</u>	NM
Finance costs						
Interest expenses on lease liabilities	<u>41</u>	<u>38</u>	7.9	<u>76</u>	<u>77</u>	(1.3)
Significant items of other expenses:						
Non-recurring IPO expenses	701	386	NM	931	386	NM
IPO-related share-based payment	<u>157</u>	<u>-</u>	NM	<u>157</u>	<u>-</u>	NM

6.2 Related party transactions

Significant related party transactions, in addition to transactions and balances disclosed elsewhere in the notes to the Interim FS, include:

Group	2H 2023 S\$'000	2H 2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
<u>Director:</u>				
Rental expenses	<u>78</u>	<u>42</u>	<u>120</u>	<u>84</u>

7 Income tax expense

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

Group	2H 2023 S\$'000	2H 2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
<u>Income tax:</u>				
Current income tax	125	202	376	516
Under provision in respect of prior years	112	-	112	-
	<u>237</u>	<u>202</u>	<u>488</u>	<u>516</u>
<u>Deferred tax:</u>				
Origination of temporary differences	-	(30)	-	(30)
Change in unrecognised temporary differences	-	(80)	-	(80)
	<u>-</u>	<u>(110)</u>	<u>-</u>	<u>(110)</u>
Total	<u>237</u>	<u>92</u>	<u>488</u>	<u>406</u>

8 Earnings per ordinary shares ("EPS")

Group	2H 2023	2H 2022	FY2023	FY2022
Profit attributable to owners of the Company (S\$'000)	591	1,194	1,686	2,763
Weighted average number of ordinary Shares ('000)	130,000	130,000	130,000	130,000
EPS (Basic and diluted) (cents)	<u>0.45</u>	<u>0.92</u>	<u>1.30</u>	<u>2.13</u>

For comparative and illustrative purposes, the weighted average number of ordinary shares used for the calculation of EPS for the financial periods under review is based on the post-invitation number of shares of 130,000,000 ordinary shares.

As there were no potential dilutive ordinary shares, basic and diluted EPS for the financial periods under review are the same.

9 Net asset value ("NAV") per ordinary share

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
NAV attributable to owners of the Company (S\$'000)	19,382	22,121	18,999	22,178
Total number of issued shares ('000)	130,000	130,000	130,000	130,000
NAV per ordinary share (cents)	<u>14.9</u>	<u>17.0</u>	<u>14.6</u>	<u>17.1</u>

For comparative and illustrative purposes, the NAV per ordinary share as at 31 December 2023 and 31 December 2022 was computed based on post-invitation number of shares of 130,000,000.

10 Dividends

	Dividend per share		Group	
	FY2023 S\$	FY2022 S\$	FY2023 S\$'000	FY2022 S\$'000
Final tax exempt (1-tier) dividend declared prior to the IPO	7.79	3.00	9,500	3,660

The above dividends were declared prior to the IPO in respect of 1,220,002 ordinary shares of the Company and paid/ payable to the shareholders of the Company prior to the completion of the internal restructuring (Note 17).

11 Financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and finance liabilities as at 31 December 2023 and 31 December 2022.

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
<u>Financial assets:</u>				
Cash and cash equivalents	9,086	12,371	7,632	11,212
Trade and other receivables *	501	210	511	278
Financial assets at amortised cost	9,587	12,581	8,143	11,490
<u>Financial liabilities</u>				
Trade and other payables #	1,008	1,120	779	836
Financial liabilities at amortised cost	1,008	1,120	779	836

* Excludes advance payment to suppliers and prepayments

Excludes GST payables and deferred grant income

12 Property, plant and equipment

During FY2023, the Group acquired assets amounting to S\$807,000 (FY2022: S\$334,000). Assets of net book value amounting to S\$20,000 were disposed of during FY2022 (FY2023: NIL).

Property, plant and equipment are initially recorded at cost and subsequently carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on the straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives.

13 Investment property

Company	2023 S\$'000	2022 S\$'000
<u>Cost:</u>		
At 1 January	3,875	3,875
Transfer to property, plant and equipment	(3,875)	-
At 31 December	-	3,875
<u>Accumulated depreciation:</u>		
At 1 January	231	190
Depreciation	38	41
Transfer to property, plant and equipment	(269)	-
At 31 December	-	231
<u>Carrying amounts:</u>		
At 31 December	-	3,644

Description of the valuation techniques and the significant other observable inputs used in the fair value measurement (Level 3) of the investment property are as follows:

Description of asset:	Leasehold retail shop
Location:	2 Venture Drive #01-27 Vision Exchange Singapore 608526
Gross floor area:	861 square feet
Fair value:	S\$3.7 million
Valuation date:	31 December 2022
Valuation technique used:	Comparison with market evidence of recent transaction prices and offer of sale prices for similar properties

The fair value of the investment property was measured based on the the highest and best use method to reflect the actual market state and circumstances as at the valuation date. The fair value was based on a valuation made by Kiong Chai Woon & Co Pte Ltd, a firm of independent professional valuers. The valuer holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued.

As at 31 December 2022, the investment property was leased out to subsidiary, Niks Maple West Pte. Ltd. (“**NMWPL**”), under operating leases and the management has not entered into contractual obligations for the maintenance or enhancement of the investment property. In September 2023, NMWPL became a wholly-owned subsidiary of the Company after the Company acquired the non-controlling interest of NMWPL. Subsequently, the Company took over the operations of NMWPL at the above premises and recognised the leasehold property as property, plant and equipment.

14 Investment in subsidiaries

Company	2023 S\$'000	2022 S\$'000
Unquoted equity shares, at cost	971	971
Acquisition of non-controlling interest (Note 17)	441	-
Less: Allowance for impairment loss	(362)	(43)
	1,050	928
<u>Movements in allowance for impairment loss:</u>		
At 1 January	43	43
Impairment loss charged to profit or loss included in other losses	319	-
At 31 December	362	43

Investments in subsidiaries are reviewed at the end of each financial year to determine whether there is any indication of impairment by assessing the factors that affect the recoverable amount of an investment, and the financial health of and business outlook for the subsidiary. Impairment loss recognised during FY2023 was in relation to NMWPL which became a dormant company after its operations were transferred to the Company following the Company's acquisition of its non-controlling interest.

15 Inventories

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Medicine, skincare and beauty products and packaging materials	1,815	1,666	1,555	1,291
Goods-in-transit	27	286	27	286
	1,842	1,952	1,582	1,577

As at 31 December 2023, inventories are stated after deducting an allowance for slow-moving inventories of S\$85,000 (31 December 2022: NIL).

16 Trade and other receivables

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Trade receivables				
- Outside parties	100	52	99	41
- Subsidiaries	-	-	17	107
Other receivables				
- Outside parties	386	133	380	44
- Subsidiaries	-	-	-	62
Deposits	15	25	15	24
Financial assets at amortised costs	501	210	511	278
Advance payment to suppliers	72	180	72	180
Prepayments	13	20	13	19
Total trade and other receivables	586	410	596	477

Outstanding non-trade balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The amounts are classified as current as the Company expects to receive payment within the next 12 months.

17 Share capital

Group and Company	Number of ordinary shares	Share capital S\$'000
As at 1 January 2022 and 31 December 2022	1,220,002	1,220
Issue of shares pursuant to Internal Restructuring:		
a) Subdivision of 1,220,002 shares	103,140,868	-
b) Issue of shares for acquisition of subsidiary	2,130,435	441
c) Conversion of convertible loans	1,708,695	236
Issue of shares pursuant to IPO	21,800,000	5,014
Less: Capitalisation of IPO expenses	-	(436)
As at 31 December 2023	<u>130,000,000</u>	<u>6,475</u>

In preparation for the Company's IPO and to rationalise the Group structure, the Company underwent an internal restructuring which involves:

- a) Subdivision of 1,220,002 shares in the issued and paid-up share capital of the Company into 104,360,870 shares on 13 October 2023;
- b) Acquisition of the remaining 49% of the issued and paid-up share capital of subsidiary, NMWPL, for a consideration of S\$441,000 on 27 September 2023 which was satisfied by the issue of 2,130,435 new shares of the Company to the non-controlling shareholders; and
- c) Conversion of convertible loans amounting to S\$235,800 extended by 4 doctors of the Group (who are not directors of the Company) into 1,708,695 ordinary shares at the conversion price of S\$0.138 per share. As the conversion price implied a discount of 40.0% to the IPO invitation price of S\$0.23, the aggregate discount of S\$157,200 was recognised as an IPO-related share-based payment expense in profit or loss and with a corresponding increase in equity (Share-based payment reserve).

Pursuant to the IPO, 21,800,000 new shares were issued on 26 October 2023 and gross proceeds of S\$5,014,000 was raised. S\$436,000 of IPO expenses were capitalised against share capital according to SFRS(I).

There were not outstanding convertibles as at 31 December 2023 and 31 December 2022.

The Company did not hold any treasury shares as at 31 December 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

18 Reserves

Foreign currency translation reserve:

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

Other reserve:

This represents the excess of consideration paid for the 49.0% of NMWPL over relating non-controlling interest as at the date of acquisition during FY2023.

19 Leases

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Current liabilities	522	338	495	331
Non-current liabilities	912	1,019	889	1,019
	<u>1,434</u>	<u>1,357</u>	<u>1,384</u>	<u>1,350</u>

Lease liabilities pertain to leasing arrangements for office, warehouse, clinic and retail premises.

20 Trade and other payables

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Trade payables	146	167	146	167
Accrued liabilities	546	446	543	426
Other payables	5	178	-	158
Advance received	63	61	63	61
Deposit received	248	268	27	24
Financial liabilities at amortised costs	1,008	1,120	779	836
GST payable	62	118	49	104
Deferred grant income	-	48	-	48
Total trade and other payables	<u>1,070</u>	<u>1,286</u>	<u>828</u>	<u>988</u>

21 Other liabilities

Other liabilities comprise contract liabilities. The Group has a customer loyalty programme (Nik\$ Scheme) that enables end-customers to earn loyalty points, in the form of Nik\$, each time they purchase the Group's skincare products. Each Nik\$ awarded is redeemable for a S\$1 discount on skincare product purchase by the end-customer at the Group's clinics and retail outlets in Singapore within the next 1 year. Consideration equivalent to Nik\$ awarded for a sale transaction would be allocated to future product sale on a relative price proportionate basis, treated as deferred revenue and recognised as a contract liability. When the Nik\$ are redeemed or expire, the corresponding contract liability would be reversed to revenue.

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Revenue recognised from amounts included in contract liabilities at beginning of year	300	226	251	188

22 Capital commitment

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the Interim FS are as follows:

Group	31 December 2023 S\$'000	31 December 2022 S\$'000
Commitments to purchase of property, plant and equipment	43	-

23 Subsequent events

Save as disclosed, there are no known subsequent events which have led to adjustments to this set of Interim FS.

Other information required by the Catalist Rules Appendix 7C

1 Audit Statement

The consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2023 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months and full year then ended, explanatory notes and other information have not been audited or reviewed by the Company's auditors.

2 Review of Performance of the Group

Profit or loss review

Revenue

Revenue recorded remained relatively constant at S\$5.5 million for 2H 2023 and 2H 2022. Revenue decreased marginally by S\$0.2 million or 2.2% from S\$11.1 million in FY2022 to S\$10.9 million in FY2023. This is attributable to a decrease in revenue from the Headquarters segment by S\$0.5 million which was partially offset by an increase in revenue from the Clinics segment and Retail segment by S\$0.1 million and S\$0.2 million respectively.

Revenue from the Headquarters segment decreased by S\$0.5 million or 21.4% from S\$2.3 million in FY2022 to S\$1.8 million in FY2023 mainly due to lower demand in China as a result of economic uncertainty following prolonged and intensified COVID-19 lockdowns towards the end of FY2022.

Revenue from the Clinics and Retail segments increased during FY2023 due to additional revenue generated by a doctor who joined in July 2022 and increased patronage from our patients and customers during FY2023.

Breakdown of sales and operating profit

	FY2023 S\$'000	FY2022 S\$'000	Increase/ (Decrease) %
Sales reported for 1st half year	5,316	5,600	(5.1)
Operating profit after tax before deducting non-controlling interest (" Operating PAT ") reported for 1st half year	1,095	1,569	(30.2)
Add: Non-recurring IPO expenses	230	-	NM
Adjusted Operating PAT for 1st half year	<u>1,325</u>	<u>1,569</u>	(15.6)
Sales reported for 2nd half year	5,538	5,495	0.8
Operating PAT reported for 2nd half year	591	1,194	(50.5)
Add: Non-recurring IPO-related expenses, government grant income and share-based payment expenses	558	386	NM
Adjusted Operating PAT for 2nd half year	<u>1,149</u>	<u>1,580</u>	(27.3)

Interest income

The higher interest income for 2H 2023 and FY2023 compared to the previous corresponding periods was due to higher amount of cash maintained in interest-bearing fixed deposit accounts as final dividend for FY2022 was only paid in September 2023 before the Company's IPO.

Other income and gains

The increase in other income and gains for 2H 2023 and FY2023 compared to previous corresponding periods was mainly due to the recognition of government grant income (Grant for Equity Market Singapore in relation to the Company's IPO) during 2H 2023 amounting to S\$0.3 million. Other government grant income received/ receivable during FY2023 and FY2022 includes subsidies and rebates under the Wage Credit Scheme from the Inland Revenue Authority of Singapore, Senior Worker Early Adopter Grant from the Ministry of Manpower and grants from Enterprise Singapore in relation to the acquisition of IT solutions and other automated equipment.

Please refer to Note 6.1 of Interim FS for breakdown of key items in other income and gains.

Costs of goods sold and gross profit on product sales

Costs of goods sold amounted to S\$0.8 million for each of 2H 2023 and 2H 2022.

Cost of goods sold for FY2023 and FY2022 remained relatively constant at S\$1.6 million and S\$1.7 million respectively. The slight decrease in cost of goods sold was in tandem with the slight decrease in sales.

Gross profit ("GP") on product sales was S\$3.6 million (GP margin: 81.4%) in 2H 2023 and S\$3.7 million (GP margin: 82.9%) in 2H 2022. GP was S\$7.1 million (GP margin: 81.4%) in FY2023 and S\$7.5 million (GP margin: 81.7%) in FY2022.

Employee benefits expense

The increase in employee benefits expense for 2H 2023 and FY2023 compared to previous corresponding periods was mainly due to increase in headcount and salary increment.

Depreciation

Depreciation decreased by S\$0.1 million or 6.4% in FY2023 compared to FY2022. This was mainly due to lower depreciation of medical equipment, renovation and other plant and equipment as more of these assets were fully depreciated during FY2023.

Depreciation increased by S\$0.1 million or 15.8% in 2H 2023 compared to 2H 2022 due to higher depreciation of right-of-use assets. In July 2023, right-of-use asset in relation of rental of premise from a director for a rental term of 3 years from 1 July 2023 (Refer to Note 6 below) was recognised and depreciation commenced in July 2023. Before July 2023, the rental of this premise was renewed annually and rental fee was recognised in 'Other expenses'.

Other losses

The increase in other losses for 2H 2023 and FY2023 compared to the previous corresponding periods was mainly due to the recognition of allowance for impairment of slow-moving inventories amounting to S\$0.1 million during 2H 2023 (2H 2022 and FY2022: NIL).

Other expenses

The increase in other expenses for 2H 2023 and FY2023 compared to the previous corresponding periods was mainly due to higher non-recurring IPO-related expenses, listing expenses and exhibition expenses incurred.

Profit before income tax/ Profit attributable to owners

Profit before income tax for 2H 2023 and 2H 2022 was S\$0.8 million and S\$1.3 million respectively; and for FY2023 and FY2022 was S\$2.2 million and S\$3.3 million respectively. The lower profits for 2H 2023 and FY2023 was mainly due to higher employee benefits expense and non-recurring IPO expenses during 2H 2023 and FY2023.

Income tax expense

Income tax expense is computed based on statutory tax rates and takes into account of non-deductible expenses such as IPO expenses. The higher income tax expense for FY2023 was mainly due to under provision of income tax amounting to S\$0.1 million in prior years.

Financial position review

Non-current assets

Non-current assets increased by S\$0.1 million from S\$11.0 million as at 31 December 2022 to S\$11.1 million as at 31 December 2023. The increase was mainly due to additions of plant and equipment amounting to S\$0.3 million and recognition of rights-of-use assets (relating to leases of premises) amounting to S\$0.5 million. The above increases were partially offset by depreciation amounting to S\$0.7 million.

Current assets

Current assets decreased by S\$3.2 million from S\$14.7 million as at 31 December 2022 to S\$11.5 million as at 31 December 2023. The decrease was mainly due to decrease in inventories by S\$0.1 million and cash and cash equivalents by S\$3.3 million. The above decreases were partial offset by increase in trade and other receivables by S\$0.2 million.

The slight decrease in inventories was in tandem with the slight decrease in sales. Inventories turnover was 428 days for FY2023 and 425 days for FY2022. The Group maintains adequate inventories to avoid risk of stockouts arising from supply chain disruptions. As such, it is usual for inventory turnover period to hover around 365 days.

The increase in trade and other receivables was mainly due to the recognition of government grant income receivable (in relation to the Company's IPO) amounting to S\$0.3 million (31 December 2022: NIL). Excluding this grant receivables, trade and other receivables would have decreased by S\$0.1 million mainly due to a decrease in advance payment to suppliers by S\$0.1 million. Majority of the Group's patients and customers make immediate payment upon the receiving of the Group's products and/ or services. As such, trade receivables turnover days for FY2023 and FY2022 were negligible. There is no allowance for impairment of trade receivables and no bad debt written off.

Non-current liabilities

Non-current liabilities comprised non-current portion of lease liabilities in relation to leases of premises. The lower lease liabilities as at 31 December 2023 compared to 31 December 2022 was mainly due to repayments during FY2023.

Current liabilities

Current liabilities were S\$2.3 million and S\$2.4 million as at 31 December 2023 and 31 December 2022 respectively. The decrease was mainly attributable to decrease in trade and other payables by S\$0.2 million and income tax payable by S\$0.1 million. The above decreases were partially offset by an increase in lease liabilities by S\$0.2 million.

The decrease in trade and other payables is mainly due to decrease in GST payable and deferred grant income by S\$0.1 million and decrease in other payables by S\$0.2 million. The above decreases were partially offset by increase in accrued liabilities by S\$0.1 million. Trade payables' turnover was 36 days for FY2023 and 30 days for FY2022.

The increase in lease liabilities was mainly due to the recognition of rights-of-use asset in relation to renewal of leases of premises during FY2023 and the corresponding lease liabilities (current portion) amounting to S\$0.2 million as at 31 December 2023.

Cash flow review

2H 2023

Net cash from operating activities was S\$1.6 million during each of 2H 2023 and 2H 2022. The lower operating cash inflow of S\$1.4 million during 2H 2023 compared to S\$1.7 million during 2H 2022 was mainly due to the lower profit before tax, on the backdrop of higher non-recurring IPO expenses and employment benefits expense. For 2H 2023, the positive changes in working capital of S\$0.4 million was S\$0.3 million higher than that of 2H 2022.

Net cash used in investing activities amounting to S\$0.2 million was mainly due to purchase of property, plant and equipment amounting to S\$0.3 million, which was partially offset by S\$0.1 million of interest received.

Net cash used in financing activities amounting to S\$5.0 million was mainly due to pre-IPO dividends paid to owners of the Company amounting to S\$9.5 million, which was partially offset by proceeds from issue of share pursuant to IPO (net of share issue expense) amounting to S\$4.6 million.

As a result of the above, there was a net decrease of S\$3.7 million in cash and cash equivalents during 2H 2023. Cash and cash equivalents was S\$9.1 million as at 31 December 2023.

FY2023

Net cash from operating activities decreased to S\$2.2 million during FY2023 from S\$3.3 million during FY2022. The lower operating cash inflow of S\$3.1 million during FY2023 compared to S\$4.1 million during FY2022 was mainly due to the lower profit before tax, on the backdrop of higher non-recurring IPO expenses and employment benefits expense. For FY2023, the adverse changes in working capital of S\$0.3 million was S\$0.1 million higher than that of FY2022.

Net cash used in investing activities amounting to S\$0.2 million was mainly due to purchase of property, plant and equipment amounting to S\$0.3 million, which was partially offset by S\$0.1 million of interest received.

Net cash used in financing activities amounting to S\$5.3 million was mainly due to pre-IPO dividends paid to owners of the Company amounting to S\$9.5 million and payment of lease liabilities of S\$0.4 million, which were partially offset by proceeds from issue of share pursuant to IPO (net of share issue expense) amounting to S\$4.6 million.

As a result of the above, there was a net decrease of S\$3.3 million in cash and cash equivalents during FY2023. Cash and cash equivalents was S\$9.1 million as at 31 December 2023.

3 Variance from Forecast/ Prospect Statement

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

4 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

As disclosed in the Offer Document, the Group has identified various growth initiatives in 2024. A new doctor will join the Group in March 2024 and a new clinic is targeted to open in mid-2024 in the northern part of Singapore. In China, a new agent for Hunan Province has been appointed. A new Deputy General Manager (Sales and Marketing) has started work in Niks Professional (Shanghai) Co Ltd. A veteran in China's medical skincare market, he aims to recruit agents for provinces in which the Group is not currently represented, as well as review the Group's current provincial agents to drive higher sales. The Group will also build up its presence in China's e-commerce marketplaces in 2024.

5 Dividend Information

(a) Dividend declared for the current financial period

	FY2023
Name of dividend	Final dividend exempt (1-tier)
Type of dividend	Cash
Total number of issued ordinary shares ('000)	130,000
Dividend per share (cents)	1.0
Total dividend (S\$'000)	<u>1,300</u>

The directors are pleased to propose the above final dividend that is according to the intended dividend recommendation as disclosed on page 63 of the Offer Document (i.e. not less than 50.0% of profit attributable to owners of the Company for FY2023 and not less than 40.0% of profit attributable to owners of the Company for FY2024). This dividend is subject to approval by shareholders at the forthcoming annual general meeting and has not been included as a liability in the Interim FS.

(b) Dividend declared for the previous corresponding period of the immediately preceding financial year

	FY2022
Name of dividend	Final dividend exempt (1-tier)
Type of dividend	Cash
Total number of issued ordinary shares ('000)	1,220
Dividend per share (cents)	778.69
Total dividend (S\$'000)	<u>9,500</u>

(c) Date payable; and record date - Date on which registrable transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

To be announced later.

6 Interested Person Transactions ("IPTs")

Name of interested persons and nature of transactions	Nature of relationship	Aggregate value of all IPTs during FY2023 (excluding transactions less than S\$100,000)	
		Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000	Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000
Dr Ong Fung Chin: Rental of premises	Director	120	-

Pursuant to rental agreement dated 22 June 2023 entered into between Dr Ong and the Company, Dr Ong agreed to lease the property situated at 825 Tampines Street 81, #01-64, Tampines Grove, Singapore 520825 to the Company at a monthly rental of S\$13,000 per month for a term of 3 years from 1 July 2023 to 30 June 2026. This rental rate is based on an independent rental valuation of the said premises dated 16 June 2023. The rental agreement and the lease thereunder do not require shareholders' approval as it is exempted under Rule 916(1) of the Catalist Rules.

The Company does not have a general mandate from shareholders for IPTs.

7 Use of IPO Proceeds

The Company raised gross proceeds of S\$5.0 million from the IPO. As at the date of this announcement, the utilisation of the gross proceeds are as follows:

Use of proceeds (as set out in the Offer Document)	Amount in aggregate S\$'000	Utilised up to the date of this announcement S\$'000	Amount Balance S\$'000
Organic expansion of business through:	800	(70)	730
a) Opening of new clinics and outlets, recruitment of healthcare and management professionals, purchase of new equipment; and			
b) Expansion of medical skincare products distribution business in China			
Expansion of business through acquisitions, joint ventures and/ or strategic alliances	2,200	-	2,200
General working capital purposes	327	-	327
Net proceeds	3,327	(70)	3,257
Share issue and listing expenses	1,687	(1,687)	-
Gross proceeds	5,014	(1,757)	3,257

The above utilisation of gross proceeds is in line with the intended use and allocation of gross proceeds as set out in the Offer Document.

The Company will make periodic announcements via SGXNet on the utilisation of the above IPO proceeds as and when such balance of proceeds is materially disbursed and will also provide a status report on the use of proceeds in annual report 2023.

8 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) of the Catalist Rules of the SGX-ST in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/ or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ong Huey Jwu	56	Sister and sister-in-law of Dr Ong Fung Chin (President, Chief Medical Officer and Controlling Shareholder) and Mr Cheng Shoong Tat (Chairman, CEO and Controlling Shareholder)	Current position: General Manager (Singapore) (since January 2020). Duties: In charge of the general operational matters in the Singapore office and retail outlets.	Not applicable

9 Confirmation that the issuer has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST

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

BY ORDER OF THE BOARD

Mr Cheng Shoong Tat
Chairman and Chief Executive Officer

Dr Ong Fung Chin
President and Chief Medical Officer

27 February 2024