



AJJ MEDTECH HOLDINGS LIMITED
(formerly known as OEL (Holdings) Limited)

(Incorporated in Republic of Singapore)
(Company Registration Number: 198403368H)

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

1(a) CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Group					
	6 months ended 31.12.2023 S\$'000 (Unaudited)	6 months ended 31.12.2022* S\$'000 (Unaudited)	Increase/ (Decrease) %	12 months ended 31.12.2023 S\$'000 (Unaudited)	12 months ended 31.12.2022* S\$'000 (Audited)	Increase/ (Decrease) %
<u>Continuing operations</u>						
Revenue	1,068	345	209.6	1,615	596	171.0
Cost of sales	(682)	(188)	262.8	(916)	(284)	222.5
Gross profit	386	157	146.0	699	312	124.0
Other operating income	33	34	(2.9)	84	91	(7.7)
Selling and distribution expenses	(309)	(416)	(25.8)	(462)	(990)	(53.3)
Administrative expenses	(1,492)	(1,609)	(7.3)	(2,809)	(3,287)	(14.5)
Other operating expenses	(3)	(53)	(94.3)	(16)	(53)	(69.8)
Finance expenses	(36)	(26)	38.5	(59)	(57)	3.5
Loss before tax	(1,421)	(1,913)	(25.7)	(2,563)	(3,984)	(35.7)
Tax credit	5	279	(98.2)	5	280	(98.2)
Loss for the financial period from continuing operations	(1,416)	(1,634)	(13.4)	(2,558)	(3,704)	(30.9)
<u>Discontinued operation</u>						
(Loss)/Profit for the financial period from discontinued operation	-	(379)	(100)	31	(537)	(105.8)
Total loss for the financial period representing loss attributable to equity holders of the Company	(1,416)	(2,013)	(29.7)	(2,527)	(4,241)	(40.4)
Other comprehensive (loss)/income, net of tax						
<i>Item that may be reclassified subsequently to profit or loss, net of tax</i>						
Exchange differences on translation of foreign operation	1	(4)	(125.0)	(2)	(4)	(50.0)
	1	(4)	(125.0)	(2)	(4)	(50.0)
Total comprehensive loss for the financial period representing total comprehensive loss attributable to equity holders of the Company	(1,415)	(2,017)	(29.8)	(2,529)	(4,245)	(40.4)

* Comparative information has been re-presented due to the discontinued operation as disclosed in Note 9

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

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

	Group					
	6 months ended 31.12.2023 S\$'000 (Unaudited)	6 months ended 31.12.2022 S\$'000 (Unaudited)	Increase/ (Decrease) %	12 months ended 31.12.2023 S\$'000 (Unaudited)	12 months ended 31.12.2022 S\$'000 (Audited)	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(67)	(112)	(40.2)	(147)	(223)	(34.1)
Depreciation of right-of-use assets	(154)	(252)	(38.9)	(266)	(494)	(46.2)
Amortisation of intangible asset	(26)	(9)	188.9	(33)	(18)	83.3
Loss on write-off of property, plant and equipment	-	(53)	(100.0)	-	(53)	(100.0)
Gain on disposal of subsidiary	-	-	-	106	-	100.0
Impairment loss of goodwill	-	(267)	(100.0)	-	(267)	(100.0)
Interest expense on lease liabilities	(20)	(28)	(28.6)	(43)	(70)	(38.6)
Employee benefits expenses	(1,098)	(1,262)	(13.0)	(1,937)	(2,722)	(28.8)

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

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

	Group		Company	
	31.12.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)	31.12.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)
Current assets				
Inventories	963	536	24	24
Trade and other receivables	869	712	551	430
Cash and cash equivalents	409	170	133	40
	2,241	1,418	708	494
Non-current assets				
Property, plant and equipment	297	475	50	79
Right-of-use assets	777	1,083	183	158
Investment in subsidiaries	-	-	2,650	1,150
Intangible asset	65	19	-	-
Other non-current assets	9	9	-	-
Other receivables	53	53	-	-
	1,201	1,639	2,883	1,387
Total assets	3,442	3,057	3,591	1,881
Current liabilities				
Lease liabilities	220	281	59	34
Deferred consideration	200	-	-	-
Trade and other payables	1,260	499	871	410
Loan and borrowings	500	-	500	-
Loan from a director	1,017	-	1,017	-
Amount due to directors	184	-	184	-
Provision for other liabilities	44	60	45	55
	3,425	840	2,676	499
Non-current liabilities				
Provision for reinstatement costs	77	56	-	-
Deferred consideration	192	-	-	-
Loan and borrowings	400	207	-	-
Lease liabilities	553	825	145	140
Deferred tax liabilities	11	3	-	-
	1,233	1,091	145	140
Total liabilities	4,658	1,931	2,821	639
Net (liabilities)/assets	(1,216)	1,126	770	1,242
Equity				
Share capital	42,745	42,745	42,745	42,745
Accumulated losses	(44,079)	(41,552)	(41,975)	(41,503)
Other reserves	1	3	-	-
Total equity attributable to equity holders of the Company	(1,333)	1,196	770	1,242
Non-controlling interests	117	(70)	-	-
Total equity	(1,216)	1,126	770	1,242

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**

The Group has non-current loan and borrowing of approximately S\$0.40 million (31 December 2022: S\$0.21 million) which pertains to the 2-year term loan provided by a director of a subsidiary of the Group. The Group has current loan and borrowing of approximately S\$1.02 million (31 December 2022: Nil) which pertains to the loan provided by a director of the Company and S\$0.5 million provided by one of the key management personnel of the Company.

Amount repayable in one year or less, or on demand

As at 31 December 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	1,517	-	-

Amount repayable after one year

As at 31 December 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	400	-	207

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

1(c) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	31.12.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)
Cash flows from operating activities		
Loss before tax from continuing operations	(2,563)	(3,984)
Profit/(Loss) before tax from discontinued operation	31	(540)
	(2,532)	(4,524)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	147	223
- Depreciation of right-of-use assets	266	494
- Amortisation of intangible assets	33	18
- Interest expense on lease liabilities	45	70
- Gain on disposal of subsidiary	(106)	-
- Gain on bargain purchase on acquisition of subsidiary	(4)	-
- Loss on lease modification	2	-
- Unwinding of discount of deferred consideration	8	-
- Loss on write-off of property	-	53
- Impairment loss on goodwill	-	267
- Gain on early termination of lease	-	(7)
Operating cash flows before changes in working capital	(2,141)	(3,406)
<i>Changes in working capital:</i>		
- Inventories	(72)	(219)
- Trade and other receivables	(154)	242
- Trade and other payables	627	251
Net cash used in operations	(1,740)	(3,132)
Interest paid	(45)	(70)
Tax paid	-	(1)
Net cash used in operating activities	(1,785)	(3,203)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3)	(35)
Proceeds from disposal of a subsidiary, net of cash disposed	244	-
Acquisition of a subsidiary, net of cash acquired	130	-
Net generated from/(used in) investing activities	371	(35)

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FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**1(c) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	Group	
	31.12.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(246)	(462)
Amount due to directors	191	-
Proceeds from loan from a director, net of repayment	1,017	-
Proceeds from loan and borrowings	693	207
Net cash generated from/(used in) financing activities	1,655	(255)
Net increase/(decrease) in cash and cash equivalents	241	(3,493)
Cash and cash equivalents at beginning of financial period	170	3,667
Effect of exchange rates changes on cash & cash equivalents	(2)	(4)
Cash and cash equivalents at end of financial period	409	170

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Group	Share capital	Other reserves	Accumulated losses	Total Attributable to Equity Holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	42,745	3	(41,552)	1,196	(70)	1,126
Total comprehensive income / (loss) for the year	-	(2)	(2,527)	(2,529)	-	(2,529)
<u>Transaction with owners in their capacity as owners:</u>						
Non-controlling interest on acquisition of subsidiary	-	-	-	-	187	187
Balance at 31 December 2023	42,745	1	(44,079)	(1,333)	117	(1,216)
Balance at 1 January 2022	42,745	7	(37,311)	5,441	(70)	5,371
Total comprehensive income / (loss) for the year	-	(4)	(4,241)	(4,245)	-	(4,245)
Balance at 31 December 2022	42,745	3	(41,552)	1,196	(70)	1,126

Company	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	42,745	(41,503)	1,242
Total comprehensive loss for the year	-	(472)	(472)
Balance at 31 December 2023	42,745	(41,975)	(770)
Balance at 1 January 2022	42,745	(36,234)	6,511
Total comprehensive loss for the year	-	(5,269)	(5,269)
Balance at 31 December 2022	42,745	(41,503)	1,242

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

The total number of issued shares were 933,802,074 as 31 December 2023 and 31 December 2022.

TREASURY SHARES

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

SUBSIDIARY HOLDINGS

The Company did not have any subsidiary holdings as at 31 December 2023 and 31 December 2022.

WARRANTS

The Company had 77,535,407 outstanding warrants as at 31 December 2022. During the financial year, the outstanding warrants have expired on 11 May 2023, and there are no outstanding warrants as at 31 December 2023.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares were 933,802,074 as at 31 December 2023 and 31 December 2022.

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

Not applicable. The Company did not have any treasury shares as at 31 December 2023 and 31 December 2022.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings as at 31 December 2023 and 31 December 2022.

2 Corporate information

The Company (Registration No. 198403368H) is incorporated and domiciled in Singapore as a limited liability company and is listed on Catalist, the sponsor-supervised board of Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555.

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

2 Corporate information (Cont'd)

These full-year financial statements for the period ended and as of 31 December 2023 comprise the Company and its subsidiaries (collectively known as the “Group”).

Subsequent to the end of the financial period, during the Extraordinary General Meeting (“EGM”) held on 6 February 2024 the special resolution relating to the change of the Company’s name from OEL (Holdings) Limited to AJJ Medtech Holdings Limited was passed and this change took effect from 19 February 2024..

The principal activities of the Group are that of investment holding and provision of integrated medtech solutions to healthcare facilities. The principal activities of the subsidiaries are:

- (a) Investment holding on healthcare technologies;
- (b) Provide supply chain solutions to public health institutes, including medical devices and equipment, medical technology development including digital solutions.technology development;
- (c) Conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical devices such as HIFU machines and other medical equipment; and
- (d) Childcare wellness enhancement education material.

3 Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the twelve months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The financial statements are presented in Singapore Dollars (SGD or S\$), which is the functional currency of the Company. All values in the tables are rounded to nearest thousand (S\$’000), except when otherwise indicated.

4 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

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

i) Impairment on investment in subsidiaries

The recoverable amount of the investment in subsidiaries is reviewed at the end of each reporting period to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is determined on the basis of the net recoverable amount to determine the extent of the impairment loss.

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

4 Use of judgements and estimates (Cont'd)

ii) Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

iii) Impairment assessment on non-financial assets

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

iv) Provision for Expected Credit Losses (“ECLs”) of trade and other receivables

The Group determines the expected credit loss for trade and other receivables based on assumptions about risk of default and expected credit loss rate. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customer's historical data, like ageing analysis of the receivables, creditworthiness and the past collection history of each customer, existing market conditions and forward-looking estimates at end of each reporting date.

5 Seasonal operations

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

6 Segment information

(a) Products and services from which reportable segments derive their revenues

The Group operates in the following segments, (i) franchise and license; (ii) healthcare digital product; and (iii) healthcare products and services.

Segment revenue represents revenue generated from external customers. Segment results represent the profit/(loss) earned/(incurred) by each segment without allocation of interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible assets and financial assets attributable to each segment.

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

6 Segment information (Cont'd)

	6 months ended			
	31.12.2023		31.12.2022	
	Results		Results	
Group	S\$'000	%	S\$'000	%
Healthcare products and services	(466)	32.9	(655)	32.5
Healthcare digital products	(26)	1.8	-	-
Childcare wellness education (Discontinued operation)	-	-	(379)	18.8
Childcare wellness education material and rental of property and corporate	(924)	65.3	(979)	49.7
Total	(1,416)	100.0	(2,013)	100.0

	12 months ended			
	31.12.2023		31.12.2022	
	Results		Results	
Group	S\$'000	%	S\$'000	%
Healthcare products and services	(557)	22.0	(1,400)	33.0
Healthcare digital products	(26)	1.0	-	-
Childcare wellness education (Discontinued operation)	31	(1.2)	(537)	12.7
Childcare wellness education material and rental of property and corporate	(1,975)	78.2	(2,304)	54.3
Total	(2,527)	100.0	(4,241)	100.0

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

6 Segment information (Cont'd)

(c) *Segment assets and liabilities*

As at 31 December 2023 and 31 December 2022, the allocation of the Group's total assets and liabilities to the reportable segments are as follows:

	Childcare wellness education material and rental of property and corporate S\$'000	Childcare wellness education (Discontinued operations) S\$'000	Healthcare products and services S\$'000	Healthcare digital products S\$'000	Total S\$'000
Group					
<u>As at 31 December 2023</u>					
Assets					
Segment assets	660	-	2,782	*	3,442
Liabilities					
Segment liabilities	(2,593)	-	(2,065)	*	(4,658)
<u>For the period ended 31 December 2023</u>					
Other information					
Gain on disposal of subsidiary	-	106	-	-	106
Depreciation	(88)	(50)	(275)	-	(413)
Amortisation	-	(7)	(26)	-	(33)
*Amount immaterial					
	Childcare wellness education material and rental of property and corporate S\$'000	Childcare wellness education (Discontinued operations) S\$'000	Healthcare products and services S\$'000	Healthcare digital products S\$'000	Total S\$'000
Group					
<u>As at 31 December 2022</u>					
Assets					
Segment assets	668	456	1,933	-	3,057
Liabilities					
Segment liabilities	(602)	(306)	(1,023)	-	(1,931)
<u>For the period ended 31 December 2022</u>					
Other information					
Loss on write-off of property, plant and equipment	(53)	-	-	-	(53)
Impairment loss of goodwill	-	(267)	-	-	(267)
Depreciation	(341)	(112)	(264)	-	(717)
Amortisation	-	(18)	-	-	(18)

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

7 Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	Group		Company	
	31.12.2023 S\$'000	31.12.2022 S\$'000	31.12.2023 S\$'000	31.12.2022 S\$'000
<u>Financial assets</u>				
<i>At amortised cost</i>				
Trade and other receivables	743	705	509	397
Cash and bank balances	409	170	133	40
	<u>1,152</u>	<u>875</u>	<u>642</u>	<u>437</u>
<u>Financial liabilities</u>				
<i>At amortised cost</i>				
Lease liabilities	773	1,106	204	174
Loan and borrowing	900	207	-	-
Deferred consideration	392	-	-	-
Amount due to directors	184	-	184	-
Loan from a director	1,017	-	1,017	-
Trade and other payables	1,142	499	1,371	410
	<u>4,408</u>	<u>1,812</u>	<u>2,776</u>	<u>584</u>

8 Taxation

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total losses before tax. The major components of income tax (credit)/expense in the financial statements for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group 6 months ended	
	31.12.2023 S\$'000	31.12.2022 S\$'000
Current income tax expense	-	-
Deferred tax credit relating to reversal of taxable temporary differences	5	279
Tax credit	<u>5</u>	<u>279</u>

	Group 12 months ended	
	31.12.2023 S\$'000	31.12.2022 S\$'000
Current income tax expense	-	-
Deferred tax credit relating to reversal of taxable temporary differences	5	280
Tax credit	<u>5</u>	<u>280</u>

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

9 Discontinued Operation

On 12 May 2023, the Group entered into a sale and purchase agreement (“SPA”) for the sale of 100% of the shares of one of its subsidiaries, Discovery Kidz Preschool Pte. Ltd. (“DKP”) for cash consideration of S\$0.26 million. The disposal was completed on 23 June 2023.

DKP was previously not presented as discontinued operation or classified as held for sale as at 30 June 2023. Thus, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

The results of the discontinued operation are as follows:

	Group	
	01.01.2023 to 12.05.2023 (Date of disposal) S\$'000	01.01.2022 to 31.12.2022 S\$'000
Revenue	77	183
Costs of sales	-	(11)
	77	172
Other operating income	27	64
Administrative expenses	(160)	(496)
Other operating expenses	(15)	(267)
Finance expenses	(5)	(13)
Loss before tax	(76)	(540)
Tax credit	1	3
Loss for the period	(75)	(537)
Gain on disposal of discontinued operation	106	-
Profit/(Loss) from discontinued operation	31	(537)

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

9 Discontinued Operation (Cont'd)

The details of the disposal is as per below:

	S\$'000
Sales consideration:	
Cash received	247
Assets and liabilities derecognised as a result of the disposal:	
Property, plant and equipment, including right of use asset	(208)
Intangible assets	(11)
Other receivables	(118)
Inventories	(1)
Cash and bank balances	(3)
Trade and other payables	(2)
Provision	27
Lease liabilities	173
Deferred tax liability	2
	(141)
Gain on disposal of subsidiary	106

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9(a) Acquisition of Subsidiary

On 16 June 2023, the Group acquired 70% of the shares of QAT for consideration of S\$0.45m (“**purchase consideration**”).

The details of the acquisition is as follows:

	S\$'000
Purchase consideration:	
Cash paid	50
Deferred consideration	384
	434
Assets and liabilities recognised as a result of the acquisition:	
Plant and equipment	(2)
Intangible assets	(91)
Trade and other receivables	(122)
Inventories	(356)
Amount due from directors	(7)
Cash and bank balances	(180)
Trade and other payables	118
Deferred tax liabilities	15
	(625)
Non-controlling interest on acquisition of subsidiary	187
Gain on bargain purchase on acquisition of subsidiary	(4)

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

10 Subsequent Events

i. On 8 January 2024, the Group has undertaken capitalisation of the following loans and amounts payables in return for the issuance of new ordinary shares of the Company:

- Loan from a director – S\$1.02m
- Loan from a key management personnel – S\$0.5m
- Loan from a director of a subsidiary – S\$0.4m
- Deferred consideration payable for the acquisition of QAT – S\$0.2m
- Accrued sponsor's fees – S\$0.04m

308,965,857 new ordinary shares of the Company are issued pursuant to the capitalisations as undertaken above.

ii. On 17 January 2024, the Company undertook share placement of 118,285,713 new ordinary shares of the Company at a placement price of S\$0.007 per share.

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

These figures have not been audited or reviewed by the auditors.

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

Not applicable. These figures have not been audited or reviewed by the auditors.

12(a) If the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, to include:

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group and the Company have received an unmodified audit opinion in the recent audited financial statements.

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

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period which are consistent with those described in the audited financial statements for the financial year ended 31 December 2022, except for those as disclosed under paragraph 14.

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

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

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

Earnings Per Share based on net loss attributable to shareholders of the Company	Group	
	31.12.2023	31.12.2022
Loss per ordinary share after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue	(0.27)	(0.40)
- Weighted average number of shares	933,802,074	933,802,074
(b) On a fully diluted basis	(0.27)	(0.40)
- Weighted average number of shares	933,802,074	933,802,074

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

	Group		Company	
	As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Net asset value per ordinary share based on issued share capital at the end of (cents):	(0.13)	0.12	0.08	0.13

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

REVIEW OF TURNOVER, COSTS AND EARNINGS

Continuing operations

Revenue

The Group's revenue increased by S\$0.72 million from S\$0.35 million for the 6-month period ended 31 December 2022 ("2H2022") to approximately S\$1.07 million for the 6-month period ended 31 December 2023 ("2H2023"). The increase can be primarily attributed to the improved performance of the Group's healthcare products and services segment. This growth stems from increased demand for the Group's products and services within the healthcare sector, driven by factors such as market expansion, product innovation, and strategic partnerships. The revenue from healthcare products and service increased from S\$0.35 million in 2H2022 to S\$0.83 million in 2H2023.

The Group's revenue increased by S\$1.02 million from S\$0.60 million for the financial year ended 31 December 2022 ("FY2022") to approximately S\$1.62 million for the financial year ended 31 December 2023 ("FY2023"). The increase was primarily due to revenue contributed by the newly acquired subsidiary, acquired Quest Asia Technologies Pte Ltd ("QAT") amounting to S\$1.05 million in FY2023, compared to no revenue in the corresponding period of the prior year.

Other operating income

The Group's operating income for the 6-month period ended 31 December 2022 ("2H2022") remained largely consistent as compared to the 6-month period ended 31 December 2023 ("2H2023").

The Group's other operating income for FY2023 remained largely constant compared to FY2022, with a slight decrease from S\$0.09 million to S\$0.08 million. The increase of S\$0.01 million is due to the one-off gain on the settlement of litigation.

Selling and distribution expenses

Selling and distribution expenses decreased by S\$0.11 million from S\$0.42 million in 2H2022 to approximately S\$0.31 million in 2H2023. Selling and distribution expenses decreased by S\$0.53 million from S\$0.99 million in FY2022 to approximately S\$0.46 million in FY2023.

The decrease in selling and distribution expenses was mainly due to the decrease in employee benefit expenses following from the Group's efforts to optimise the Group's employee headcount by improving productivity to enable more efficient use of its resources.

Administrative expenses

Administrative expenses decreased by S\$0.12 million from S\$1.61 million in 2H2022 to S\$1.49 million in 2H2023. Administrative expenses decreased by S\$0.48 million from S\$3.29 million in FY2022 to S\$2.81 million in FY2023.

The decrease in administrative expenses is due to the decrease in employee benefits expense due to the Group's initiatives to optimize employee headcount and enhance productivity, enabling more efficient resource utilization.

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Other operating expenses

Minimal other operating expenses of S\$0.003 million were incurred in 2H2023 as compared to S\$0.05 million in 2H2022. 2H2022's other operating expenses pertain to one-off loss on write-off of property, plant and equipment of S\$0.05 million.

Other operating expenses of the Group decreased by S\$0.03 million from S\$0.05 million in FY2022 to S\$0.02 million in FY2023. FY2022's other operating expenses pertain to one-off loss on write-off of property, plant and equipment of S\$0.05 million which did not recur in FY2023 which mainly contributed to the decrease noted.

Finance costs

Finance costs of the Group increased by approximately S\$0.01 million from S\$0.03 million in 2H2022 to S\$0.04 million in 2H2023. This increase primarily resulted from interest expenses related to the recognition of loan interest from loan and borrowing.

The Group's finance costs in FY2023 remained largely unchanged compared to FY2022 attributable to the interest expense pertaining to the lease liabilities and loan interest from loan and borrowing.

Loss for the financial period from continuing operations

As a result of the above, the Group reported a loss for the financial period of S\$2.56 million in FY2023 as compared to a loss of S\$3.70 million in FY2022.

Discontinued operation

As announced on 23 June 2023, the Group completed the disposal of its childcare wellness education business (the "Disposal") previously undertaken under its subsidiary, DKP with DKP ceasing to be a subsidiary of the Group on 12 May 2023.

The profit from discontinued operation in FY2023 of S\$0.03 million comprise of the gain on disposal of DKP of S\$0.11 million offset by the operating loss of DKP for the period from 1 January 2023 to 12 May 2023 (date of disposal) of S\$0.08 million.

The loss from discontinued operation in FY2022 of S\$0.54 million comprise of the impairment of the goodwill on acquisition of DKP of S\$0.27 million and the operating loss of DKP of S\$0.27 million.

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REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

Current assets

Current assets have increased by S\$0.82 million from S\$1.42 million as of 31 December 2022 to approximately S\$2.24 million as of 31 December 2023. The increase was mainly due to the increase in cash and cash equivalents of S\$0.24 million mainly due to proceeds net of repayment of the loan from a director of S\$1.02 million, proceeds from loan and borrowing of S\$0.19 million, amount due to directors of S\$0.19 million, net proceeds from the disposal of subsidiary of S\$0.24 million, inflows from the net cash acquired from the acquisition of a subsidiary of S\$0.13 million offset by the net operating cash outflows of S\$1.29 million and repayments of lease liabilities of S\$0.24 million.

The increase is also due to the increase in inventories of S\$0.43 million and trade and other receivables of S\$0.16 million, mainly contributed from the newly acquired subsidiary, QAT.

Non-current assets

Non-current assets have decreased by S\$0.44 million, from S\$1.64 million as of 31 December 2022 to S\$1.20 million as of 31 December 2023. The decrease was mainly due to the depreciation for both the property, plant and equipment and right-of-use assets of which cumulatively amounted to S\$0.42 million for FY2023.

Non-current liabilities

Non-current liabilities have increased by approximately S\$0.14 million, from S\$1.09 million as of 31 December 2022 to S\$1.23 million as of 31 December 2023. This was primarily due to an increase of S\$0.19 million in loan and borrowing obtained from a director of the Group's subsidiary, S\$0.19 million in non-current deferred consideration for the acquisition of QAT and S\$0.02 million in additional provision for reinstatement costs offset by the decrease of non-current lease liabilities of S\$0.27 million.

Current liabilities

Current liabilities have increased by S\$2.59 million, from S\$0.84 million as of 31 December 2022 to S\$3.43 million as of 31 December 2023. The increase is mainly due to the increase of S\$1.02 million in loan from a director, increase of S\$0.50 million of loan and borrowing, increase of S\$0.18 million in amount due to directors, increase of S\$0.76 million in trade and other payables and increase of S\$0.20 million in current deferred consideration arising from the acquisition of QAT offset by the decrease in S\$0.06 million of current portion of lease liabilities.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

In FY2023, the Group recorded a net cash outflow for operating activities of S\$1.79 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$2.14 million and adjusted for working capital inflow of S\$0.90 million. Working capital inflow is mainly due to (i) increase in trade and other payables of approximately S\$0.63 million; (ii) decrease of S\$0.15 million in trade and other receivables and (iii) decrease of inventories of S\$0.07 million.

Net cash generated from investing activities

Net cash generated from investing activities of S\$0.37 million during FY2023 arose from net proceeds of S\$0.24 million from disposal of subsidiary and proceeds of S\$0.13 million from acquisition of a subsidiary, net of cash acquired.

Net cash generated from financing activities

Net cash generated from financing activities of S\$1.66 million during FY2023 arose mainly due to proceeds from the loan from director net of repayments of S\$1.02 million, proceeds from loan and borrowing of S\$0.69 million, amount due to directors of S\$0.19 million, offset by the payment for principal portion of lease liabilities of S\$0.25 million.

FULL-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

Not applicable.

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

In the next 12 months, a number of significant trends and competitive landscape in the healthcare sector may affect the Company, including without limitation:

To leverage the rapid advancements in digital health, Artificial Intelligence (“AI”), and robotics, the Company is intensifying its efforts in developing and integrating these technologies across our product offerings. This includes providing complementary digital applications, automation and machine learning capabilities with our medical devices to facilitate efficiency improvement, remote monitoring and guided diagnostics. In addition, this may involve launching robotics solutions focusing on bedside care robotics to improve patient care and operational efficiencies within healthcare settings. The Company will also seek collaborations with medtech players to launch more digital, AI and robotics related products.

Acknowledging the challenge of rising healthcare expenses in Singapore, the Company’s supply-chain solutions are designed to align ourselves with the quality of the sector leaders and providing more competitively priced products, demonstrating value and reliability to our customers. We work closely with over 35 international partners, including leading manufacturers, to source cost-effective medical supplies without compromising on quality, contributing to the reduction of healthcare expenses in Singapore.

As Singapore faces the challenges of an aging population, the Company is committed to provide solutions that cater specifically to the needs of this demographic. Our initiatives include provision of products and services aimed at chronic disease management, such as diabetes, through our Blood Glucose Monitoring Systems. Enhancing accessibility and affordability of healthcare solutions to ensure that high-quality care is within reach of the elderly population, supporting their health and well-being.

In line with Singapore’s sustainability responsibility, the Company is dedicated to promoting sustainability through introduction of more environmentally friendly medical products reducing Singapore’s environmental impact of healthcare activities. The Company will continue to adopt global sustainability principles in our operations and supply chain, ensuring that our business practices contribute positively to environmental conservation and social responsibility.

The healthcare sector, including the Company, faces challenges from supply chain disruptions exacerbated by recent geopolitical conflicts. These disruptions highlight the vulnerability of global supply networks and the importance of resilience and adaptability in maintaining operations. The Company’s strategic focus on developing robust supply chain solutions with international partners in non-affected area is crucial in navigating these uncertainties, ensuring the continuous delivery of healthcare products and services despite external pressures.

The Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or acquisitions, adapting to emerging trends and challenges within the MedTech industry. Our commitment to innovation, partnership, and sustainability positions us to effectively address the evolving needs of the healthcare sector in Singapore and have the potential to generate value for shareholders.

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20 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax-exempt?

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the year ended 31 December 2023 in view that the Group is loss-making and focusing on expanding its business operations, in particular the Group's healthcare product and services segment.

22 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for the IPTs from the shareholders.

23 Confirmation that the interim financial statements not false or misleading in any material aspect in pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the year ended 31 December 2023 to be false or misleading in any material aspect.

24 Confirmation that the issuer has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual).

The Company hereby confirms that it has already procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

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

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Zhang Yulei	37	Ms. Zhang Yulei is the daughter of Dr. Zhang Jian, the Chairman and Executive Director of the Company. He is also a substantial shareholder of the Company.	Chief Strategy Officer of the Company	Ms. Zhang Yulei has been engaged as a consultant for the company since 1 st May 2023, and was appointed as Chief Strategy Officer on 28 th August 2023.

BY ORDER OF THE BOARD

ZHAO XIN
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
29 February 2024

This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:

Name: Mr. Jerry Chua, (Registered Professional, Evolve Capital Advisory Private Limited)

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