



ASIAMEDIC LIMITED

Co. Reg. No.: 197401556E

ASIAMEDIC LIMITED

Financial statements announcement for the full year ended 31 December 2020

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

1(a)(i) Consolidated Income Statement

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

	FY2020	FY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Revenue	15,279,133	18,989,960	(3,710,827)	-20%
Other income	2,054,718	204,328	1,850,390	NM
Items of expenses				
Consumables used	(1,273,521)	(1,682,800)	(409,279)	-24%
Personnel expenses	(9,142,002)	(10,922,817)	(1,780,815)	-16%
Depreciation and amortisation	(2,459,006)	(2,495,509)	(36,503)	-1%
Operating lease expenses	(159,650)	(133,951)	25,699	19%
Maintenance of equipment	(930,229)	(871,728)	58,501	7%
Laboratory and consultancy fees	(1,535,440)	(1,660,538)	(125,098)	-8%
Finance costs	(195,328)	(455,663)	(260,335)	-57%
Other operating expenses	(1,908,826)	(2,118,087)	(209,261)	-10%
Impairments and provision	(4,397,724)	-	4,397,724	100%
Share of results of associate	372,709	558,572	(185,863)	-33%
Loss for the year attributable to owners of the Company	(4,295,166)	(588,233)	3,706,933	NM

NM = Not Meaningful.

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1(a)(ii) Statement of Comprehensive Income

Financial Year Ended 31 December 2020

	FY2020	FY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Loss for the year	(4,295,166)	(588,233)	3,706,933	NM
Other comprehensive income	-	-	-	-
Total comprehensive income for the year attributable to owners of the Company	(4,295,166)	(588,233)	3,706,933	NM

1(a)(iii) The following items have been included in determining the loss before tax

	FY2020	FY2019	Increase/(Decrease)	
	S\$	S\$	S\$	%
Grant income	1,484,346	66,892	1,417,454	NM
Rental income	93,886	128,172	(34,286)	-27%
Interest income	46,066	6,864	39,202	NM
Rental Relief Scheme grant income	430,420	-	430,420	100%
Gain on disposal of property, plant and equipment	-	500	(500)	-100%
Property, plant and equipment written off	(753)	(2,125)	(1,373)	-65%
Impairments and provision:				
- Impairment of plant and equipment	(2,189,449)	-	2,189,449	100%
- Impairment of right-of-use assets	(2,002,827)	-	2,002,827	100%
- Provision for reinstatement of premises	(205,448)	-	205,448	100%

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1(b)(i) Balance Sheets

	Group		Company	
	31 Dec 2020 S\$	31 Dec 2019 S\$	31 Dec 2020 S\$	31 Dec 2019 S\$
Non-Current Assets				
Property, plant and equipment	432,983	2,460,066	26,761	47,408
Investment in subsidiaries	-	-	965,230	306,547
Investment in associate	1,933,056	2,007,470	181,500	181,500
Goodwill	523,864	523,864	-	-
Reinstatement asset	81,691	119,798	-	-
Right-of-use assets	1,878,785	6,347,253	1,878,785	5,345,828
	4,850,379	11,458,451	3,052,276	5,881,283
Current Assets				
Inventories	269,411	269,727	-	-
Trade receivables	2,448,711	2,892,323	-	-
Other receivables and deposits	590,402	480,841	1,312,522	3,306,747
Prepayments	167,831	325,706	22,767	137,036
Cash and short term deposits pledged as security	818,100	855,682	-	-
Cash and short term deposits	7,657,029	2,889,527	5,315,998	1,527,190
	11,951,484	7,713,806	6,651,287	4,970,973
Current Liabilities				
Trade payables	1,052,147	1,291,599	-	-
Other payables and accruals	1,538,999	1,683,877	562,078	633,915
Deferred income	1,357,081	1,271,117	-	-
Lease liability	1,415,238	1,506,554	1,415,238	1,415,238
	5,363,465	5,753,147	1,977,316	2,049,153
Net Current Assets	6,588,019	1,960,659	4,673,971	2,921,820
Non-Current Liabilities				
Provision for reinstatement	755,980	547,898	447,000	241,552
Deferred tax liabilities	22,568	22,568	-	-
Lease liability	2,619,732	4,034,970	2,619,732	4,034,970
Shareholder's loans	-	5,000,000	-	5,000,000
	3,398,280	9,605,436	3,066,732	9,276,522
Net Assets/(Liabilities)	8,040,118	3,813,674	4,659,515	(473,419)
Equity Attributable to Owners of the Company				
Share capital	33,284,437	24,761,027	33,284,437	24,761,027
Treasury shares	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	(562,921)	(561,121)	97,812	99,612
Accumulated losses	(24,678,532)	(20,383,366)	(28,719,868)	(25,331,192)
Total Equity	8,040,118	3,813,674	4,659,515	(473,419)

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1(b)(ii) Aggregate amount of group's borrowings

Loans from Controlling Shareholder

	Group	
	31 Dec 2020	31 Dec 2019
	S\$	S\$
Amount repayable after one year:		
Interest-bearing loans	-	5,000,000

Details of any collateral:

Nil.

The loans were repaid in January 2020 under the Offsetting Arrangement in connection with the Company's Rights Issue.

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder.

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1(c) Consolidated Cash Flow Statement

Financial Year Ended 31 December 2020	Group	
	FY2020 S\$	FY2019 S\$
Operating activities:		
Loss before tax	(4,295,166)	(588,233)
Adjustments:		
Depreciation and amortisation of property, plant and equipment, and intangible asset	970,830	813,510
Amortisation of reinstatement asset	23,960	23,960
Amortisation of right-of-use assets	1,464,216	1,658,041
Impairment of right-of-use assets	2,002,827	-
Impairment of property, plant and equipment	2,189,449	-
Gain on disposal of property, plant and equipment	-	(500)
Property, plant and equipment written off	753	2,125
Interest expense	195,328	455,663
Rental Relief Scheme grant income	(430,420)	-
Interest income	(46,066)	(6,864)
Grant of equity-settled share options to employees	(1,800)	25,212
Share of results of associate	(372,709)	(558,572)
Provision of reinstatement of premises	205,448	-
Operating profit before working capital changes	1,906,650	1,824,342
Changes in working capital:		
Decrease/(increase) in inventories	316	(28,849)
Decrease/(increase) in trade and other receivables and prepayments	610,008	(1,101,387)
Decrease in trade and other payables	(271,258)	(652,958)
Increase in deferred income	85,964	49,184
Cash generated from operations	2,331,680	90,332
Investing activities:		
Interest received	46,066	6,864
Purchase of property, plant and equipment	(349,530)	(172,450)
Proceeds from disposal of property, plant and equipment	-	500
Dividend income from associate	447,122	396,000
Net cash flows from investing activities	143,658	230,914
Financing activities:		
Decrease/(increase) in cash pledged as security	37,582	(141,120)
Interest paid	(192,694)	(260,433)
Payment of principal portion of lease liability	(984,818)	(1,899,224)
Loans from controlling shareholder	-	2,000,000
Net proceeds from Rights Issue	3,523,410	-
Repayment of obligations under finance leases and loans and borrowings	(91,316)	(77,011)
Net cash flows from/(used in) financing activities	2,292,164	(377,788)
Net increase/(decrease) in cash and short term deposits	4,767,502	(56,542)
Cash and short term deposits at the beginning of year	2,889,527	2,946,069
Cash and short term deposits at the end of year	7,657,029	2,889,527

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1 (d)(i) Statements of changes in equity

Group

S\$	Share Capital	Other Reserves	Treasury Shares	Accumulated Losses	Total	Total Equity
Balance as at 1 January 2019	24,761,027	(586,333)	(2,866)	(19,795,133)	4,376,695	4,376,695
Total comprehensive income for the year	-	-	-	(588,233)	(588,233)	(588,233)
Grant of equity-settled share options to employees	-	25,212	-	-	25,212	25,212
Balance as at 31 December 2019	24,761,027	(561,121)	(2,866)	(20,383,366)	3,813,674	3,813,674

Balance as at 1 January 2020	24,761,027	(561,121)	(2,866)	(20,383,366)	3,813,674	3,813,674
Total comprehensive income for the year	-	-	-	(4,295,166)	(4,295,166)	(4,295,166)
Net proceeds from Rights Issue	8,523,410	-	-	-	8,523,410	8,523,410
Grant of equity-settled share options to employees	-	(1,800)	-	-	(1,800)	(1,800)
Balance as at 31 December 2020	33,284,437	(562,921)	(2,866)	(24,678,532)	8,040,118	8,040,118

Company

S\$	Share capital	Other Reserves	Treasury Shares	Accumulated Losses	Total	Total Equity
Balance as at 1 January 2019	24,761,027	74,400	(2,866)	(24,565,875)	266,686	266,686
Total comprehensive income for the year	-	-	-	(765,317)	(765,317)	(765,317)
Grant of equity-settled share options to employees	-	25,212	-	-	25,212	25,212
Balance as at 31 December 2019	24,761,027	99,612	(2,866)	(25,331,192)	(473,419)	(473,419)

Balance as at 1 January 2020	24,761,027	99,612	(2,866)	(25,331,192)	(473,419)	(473,419)
Total comprehensive income for the year	-	-	-	(3,388,676)	(3,388,676)	(3,388,676)
Net proceeds from Rights Issue	8,523,410	-	-	-	8,523,410	8,523,410
Grant of equity-settled share options to employees	-	(1,800)	-	-	(1,800)	(1,800)
Balance as at 31 December 2020	33,284,437	97,812	(2,866)	(28,719,868)	4,659,515	4,659,515

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

On 14 January 2020, the Company completed a rights issue of 729,034,145 new ordinary shares at the issue price of S\$0.012 for each rights share in the capital of the Company (the “**Rights Issue**”). The issued share capital of the Company increased from S\$24,761,027 comprising 390,488,125 ordinary shares (excluding 100,000 treasury shares) as at 31 December 2019 to S\$33,284,437 comprising 1,119,522,270 ordinary shares (excluding 100,000 treasury shares) as at 31 December 2020.

There were no additional share options granted under the AsiaMedic Employees Share Option Scheme 2016 since the end of the previous period reported on. The number of share options increased by 196,645 in FY2020 as a result of the Rights Issue. The adjustment has not been reviewed or audited by the Company’s auditors.

As at 31 December 2020, there were outstanding options for conversion into 1,720,645 (2019: 1,524,000) ordinary shares. The options were granted on 15 June 2016 and are subject to a vesting schedule and are exercisable in tranches from 15 June 2018.

As at 31 December 2020, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (31 December 2019: 390,488,125 ordinary shares excluding 100,000 treasury shares). The issued share capital as at 31 December 2020 was S\$33,284,437 (31 December 2019: S\$24,761,027). The 100,000 treasury shares represent 0.009% and 0.026% of the total number of ordinary shares in issue as at 31 December 2020 and 31 December 2019 respectively.

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.

As at 31 December 2020, the number of ordinary shares in issue was 1,119,522,270 excluding 100,000 treasury shares (2019: 390,488,125 ordinary shares excluding 100,000 treasury shares).

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.

At 1 January 2020	Share buyback	Sales	Transfers	Disposal	Cancellation or use	At 31 December 2020
100,000	-	-	-	-	-	100,000

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.

No subsidiary holdings.

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

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

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

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

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

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

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

No adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with those of the audited financial statements for the financial year ended 31 December 2019, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current financial year.

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

The Group and the Company have adopted all the applicable new and revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2020. The adoption of these new and revised FRS does not have any material impact on the financial statements of the Group and the Company.

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

	31 Dec 2020	31 Dec 2019
(a) Based on weighted average number of ordinary shares on issue	(0.38) cent	(0.15) cent
(b) On a fully diluted basis	(0.38) cent	(0.15) cent

Notes:

(a) The basic earnings per share for the year ended 31 December 2020 is computed based on weighted average share capital of 1,119,522,270 (31 December 2019: 390,488,125) ordinary shares.

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

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7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	31 Dec 2020	31 Dec 2019
The Group		
Net asset value per ordinary share based on existing issued share capital	0.72 cent	0.98 cent
The Company		
Net asset value per ordinary share based on existing issued share capital	0.42 cent	(0.12) cent

Note:

The total number of shares used for the computation of net asset value per share is 1,119,522,270 (31 December 2019: 390,488,125) ordinary shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group's revenue decreased by S\$3.7 million or 20% to S\$15.3 million for the financial year ended 31 December 2020 ("FY2020") from S\$19.0 million for the financial year ended 31 December 2019 ("FY2019") due mainly to the Covid-19 pandemic. As mentioned in the previous announcements of the Company, the Group's executive health screening and aesthetics businesses were not permitted to operate and the onsite school and community screenings were suspended during the circuit breaker period implemented by the Singapore Government between 7 April 2020 and 1 June 2020 to curb the spread of the Covid-19 pandemic ("**Circuit Breaker**"). Before and after the Circuit Breaker, many customers and patients also avoided visits to our clinics to mitigate their risks of contracting Covid-19 and the number of patients decreased substantially. The Group's executive health screening and international clinic businesses registered a gradual increase in patient visits in the second half of FY2020 while the other businesses did not fully recover for the second half of FY2020.

Other income increased to S\$2.1 million in FY2020 from S\$204,000 in FY2019 due mainly to the grants received from the Job Support Scheme and Rental Relief Scheme put in place by the Singapore Government to help Singapore enterprises affected by the Covid-19 pandemic.

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The decrease in consumables, personnel expenses and other operating expenses was due to the reduced business activities. The Directors and management also took a 20% voluntary pay cut during the Circuit Breaker. The decrease in finance costs of S\$260,000 or 57% was due mainly to the capitalisation of the shareholder's loans of S\$5 million as a result of the Rights Issue. The impairments and provision consist of the impairments for imaging right-of-use assets, property, plant and equipment of S\$4.2 million due to challenging business conditions in this industry, and an additional provision for the reinstatement of premises of S\$0.2 million. The share of results of associate decreased by S\$186,000 or 33% as a result of lower sales due to the Covid-19 pandemic and lower sale prices.

As a result, the Group recorded a loss for the year of S\$4.3 million in FY2020 compared to a loss of S\$0.6 million in FY2019. Excluding the impact of the impairments and provision of S\$4.4 million, the Group's profit for FY2020 would have been S\$103,000.

Balance Sheet

Non-Current Assets

Non-current assets decreased to S\$4.9 million as at 31 December 2020 from S\$11.5 million as at 31 December 2019 due mainly to depreciation and impairments during the year as mentioned in above.

Current Assets

Current assets increased to S\$12.0 million as at 31 December 2020 from S\$7.7 million as at 31 December 2019 due mainly to the increase in cash and short-term deposits as a result of the Rights Issue. Trade receivables decreased to S\$2.4 million as at 31 December 2020 from S\$2.9 million as at 31 December 2019 due mainly to receipt of payments for health screening projects with government agencies and reduced business activities.

Current Liabilities

Current liabilities decreased to S\$5.4 million as at 31 December 2020 from S\$5.8 million as at 31 December 2019 due mainly to the decrease in trade payables as a result of the lower level of activities during the year due to the Covid-19 pandemic.

Net Current Assets

As a result of the increase in current assets and decrease in current liabilities, net current assets increased to S\$6.6 million as at 31 December 2020 from S\$2.0 million as at 31 December 2019.

Non-Current Liabilities

Non-current liabilities decreased to S\$3.4 million as at 31 December 2020 from S\$9.6 million as at 31 December 2019 due mainly to the conversion of the shareholder's loans as a result of the Rights Issue.

Cash Flow

The Group has a cash inflow from operations of S\$2.3 million in FY2020 compared to an inflow of S\$90,000 in FY2019 due mainly to the collection of trade receivables from government agencies. Cash inflow from financing activities were S\$2.3 million in FY2020 compared to an outflow of S\$0.4 million in FY2019 due mainly to the Rights Issue.

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

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

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

The outbreak of the Covid-19 pandemic in the first half of 2020 affected our operations. Business conditions will continue to be challenging amid the Covid-19 pandemic uncertainties. Our wellness and international clinic businesses witnessed an encouraging return by customers and patients in the second half of 2020 following the gradual reopening of the economy. Whether the level of patient visits will be maintained in 2021 will depend on the economic conditions. While our onsite health screening and related services in schools and the community are scheduled to gradually resume in 2021, we expect the volumes of certain services to be scaled down due to deferrals by customers and social distancing measures. The level of demand for our aesthetic services has not fully recovered due to cautious consumer sentiments. The lack of medical tourism in Singapore due to travel restrictions arising from the Covid-19 pandemic will continue to have an impact on all our businesses, in particular, the imaging business.

The Group will strive to create value for its stakeholders by being agile in its approach and strategy, improve cost efficiency, and will continue to set itself apart by providing cost-effective, quality care and outstanding service to its patients and clients.

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11. If a decision regarding dividend has been made:

- a) Whether an interim (final) ordinary dividend has been declared (recommended); and
NIL
- b) N/A
(1) Amount per share: Nil cents
(2) Previous corresponding period: Nil cents
- c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
N/A
- d) The date the dividend is payable: N/A
- e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
N/A

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

No dividend has been declared as the Group registered a loss for the period. The Group's cash balance will be reserved for business operational purposes.

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Brookline Medical Pte. Ltd.	Associate of the controlling shareholder	Nil	S\$117,000 (Provision of imaging services under a general mandate)

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14. Negative confirmation pursuant to Rule 705(5).

This section is not applicable for announcement of full year results.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

Undertakings have been obtained from the Directors and executive officers.

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

Not applicable as the Group operates in only one segment.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Noted. Please refer to Section 8 for the review of performance.

18. A breakdown of sales.

		Group		
		FY2020	FY2019	Increase/ (Decrease)
		S\$	S\$	%
(a)	Sales reported for first half year	6,116,849	9,130,432	-33%
(b)	Operating loss after tax for the year before deducting non-controlling interests reported for first half year	(1,678,881)	(663,545)	N.M
(c)	Sales reported for second half year	9,162,284	9,859,529	-7%
(d)	Operating (loss)/profit after tax for the year before deducting non-controlling interests reported for second half year	(2,616,285)	75,308	N.M

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

		FY2020	FY2019
(a)	Ordinary	-	-
(b)	Preference	-	-
(c)	Total	-	-

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

The Company confirms that no person occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

21. Use of proceeds from Rights Issue.

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

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

Note:

- (1) Reducing indebtedness of the Group in relation to the Offsetting Arrangement (as defined in the Company's circular to shareholders dated 14 November 2019).

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription by the Undertaking Shareholder of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder of S\$5 million.

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
25 February 2021

This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd, in compliance with Rule 226 of the Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.