

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

PART (I) - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF-YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

UNAUDITED HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED	Group		
	6 months ended		
	30.06.2023 S\$'000	30.06.2022* S\$'000	Increase/ (Decrease) %
Continuing operations			
Revenue	547	251	117.9%
Cost of sales	(234)	(96)	143.8%
Gross profit	313	155	101.9%
Other operating income	51	57	(10.5)%
Selling and distribution expenses	(153)	(574)	(73.3)%
Administrative expenses	(1,317)	(1,678)	(21.5)%
Other operating expenses	(13)	-	100.0%
Finance expenses	(23)	(30)	(23.3)%
Loss before tax representing loss for the period from continuing operations	(1,142)	(2,070)	(44.8)%
Discontinued operation			
Profit/(Loss) for the period from discontinued operation	31	(158)	(119.6)%
Total loss for the period representing loss attributable to equity holders of the Company	(1,111)	(2,228)	(50.1)%
Other comprehensive loss, 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	(3)	**	100%
Total comprehensive loss for the financial period representing total comprehensive loss attributable to equity holders of the Company	(1,114)	(2,228)	(50.0)%

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

**Amount is less than S\$1,000.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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

Loss before tax is arrived at after charging the following:

NOTES TO THE UNAUDITED HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED	Group		
	6 months ended		
	30.06.2023 S\$'000	30.06.2022* S\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(80)	(102)	(21.6)%
Depreciation of right-of-use assets	(112)	(199)	(43.7)%
Interest expense on lease liabilities	(23)	(31)	(25.8)%
Employee benefits expenses	(839)	(1,310)	(36.0)%

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

There are no material related party transactions apart from those disclosed elsewhere in the half-year financial statements for the periods ended 30 June 2023 and 30 June 2022.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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

STATEMENTS OF FINANCIAL POSITION AS AT	Group		Company	
	30.06.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)	30.06.2023 S\$'000 (Unaudited)	31.12.2022 S\$'000 (Audited)
Current assets				
Inventories	832	536	24	24
Trade and other receivables	1,468	712	810	430
Amount due from director	7	-	-	-
Cash and cash equivalents	607	170	500	40
	2,914	1,418	1,334	494
Non-current assets				
Property, plant and equipment	361	475	64	79
Right-of-use assets	843	1,083	213	158
Investment in subsidiaries	-	-	2,651	1,150
Intangible assets	81	19	-	-
Goodwill on consolidation	5	-	-	-
Other non-current assets	9	9	-	-
Other receivables	53	53	-	-
	1,352	1,639	2,928	1,387
Total assets	4,266	3,057	4,262	1,881
Current liabilities				
Lease liabilities	358	281	213	34
Deferred consideration	200	-	-	-
Trade and other payables	780	499	2,389	410
Loan from a director	1,400	-	1,400	-
Amount due to directors	101	-	101	-
Provision for other liabilities	64	60	-	55
	2,903	840	4,103	499
Non-current liabilities				
Provision for reinstatement costs	31	56	-	-
Deferred consideration	187	-	-	-
Loan and borrowing	415	207	-	-
Lease liabilities	520	825	20	140
Deferred tax liabilities	14	3	-	-
	1,167	1,091	20	140
Total liabilities	4,070	1,931	4,123	639
Net assets	196	1,126	139	1,242
Equity				
Share capital	42,745	42,745	42,745	42,745
Accumulated losses	(42,663)	(41,552)	(42,606)	(41,503)
Other reserves	-	3	-	-
Total equity attributable to equity holders of the Company	82	1,196	139	1,242
Non-controlling interests	114	(70)	-	-
Total equity	196	1,126	139	1,242

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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

The Group has non-current loan and borrowing of approximately S\$0.42 million (31 December 2022: approximately 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\$1.40 million (31 December 2022: Nil) which pertains to the loan provided by a director of the Company.

Amount repayable after one year

As at 30 June 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	415	-	207

Amount repayable within one year

As at 30 June 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	1,400	-	-

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED	Group	
	6 months ended	
	30.06.2023 S\$'000	30.06.2022 S\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(1,142)	(2,070)
Profit/(Loss) before tax from discontinued operation	31	(160)
	(1,111)	(2,230)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	80	111
- Depreciation of right-of-use assets	112	242
- Amortisation of intangible asset	7	9
- Interest expense on lease liabilities	23	42
- Gain on disposal of a subsidiary	(106)	-
Operating cash flows before changes in working capital	(995)	(1,826)
<i>Changes in working capital:</i>		
- Inventories	58	(129)
- Trade and other receivables	(756)	(116)
- Trade and other payables	269	11
Net cash used in operations	(1,424)	(2,060)
Interest paid	(23)	(42)
Net cash used in operating activities	(1,447)	(2,102)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(24)
Proceeds from disposal of a subsidiary, net of cash disposed	244	-
Acquisition of a subsidiary, net of cash acquired	130	-
Net cash generated from/(used in) investing activities	374	(24)

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period. (Cont'd)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED	Group	
	6 months ended	
	30.06.2023 S\$'000	30.06.2022 S\$'000
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(98)	(216)
Proceeds from loan from a director	1,400	-
Proceeds from loan and borrowing	208	-
Net cash generated from/(used in) financing activities	1,510	(216)
Net increase/(decrease) in cash and cash equivalents	437	(2,342)
Cash and cash equivalents at beginning of financial period	170	3,667
Cash and cash equivalents at end of financial period	607	1,325

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1(d)(i) Statements (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Other reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	42,745	3	(41,552)	1,196	(70)	1,126
Total comprehensive loss for the period	-	(3)	(1,111)	(1,114)	-	(1,114)
Transaction with owner recognised directly in equity						
Acquisition of a subsidiary with non-controlling interest	-	-	-	-	184	184
Balance at 30 June 2023	42,745	-	(42,663)	82	114	196
Balance at 1 January 2022	42,745	7	(37,311)	5,441	(70)	5,371
Total comprehensive loss for the period	-	-	(2,228)	(2,228)	-	(2,228)
Balance at 30 June 2022	42,745	7	(39,539)	3,213	(70)	3,143

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	42,745	-	(41,503)	1,242
Total comprehensive loss for the period	-	-	(1,103)	(1,103)
Balance at 30 June 2023	42,745	-	(42,606)	139
Balance at 1 January 2022	42,745	-	(36,234)	6,511
Total comprehensive loss for the period	-	-	(1,317)	(1,317)
Balance at 30 June 2022	42,745	-	(37,551)	5,194

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

SHARE CAPITAL

The total number of issued shares were 933,802,074 as at 30 June 2023 and 31 December 2022.

TREASURY SHARES

The Company did not have any outstanding treasury shares as at 30 June 2023 and 31 December 2022.

SUBSIDIARY HOLDINGS

The Company did not have any subsidiary holdings as at 30 June 2023 and 31 December 2022.

WARRANTS

The Company had 77,535,407 outstanding warrants as at 31 December 2022. During the financial period, the outstanding warrants have expired on 11 May 2023, and there are no outstanding warrants as at 30 June 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 was 933,802,074 as at 30 June 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 30 June 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 30 June 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.

These half-year financial statements for the period ended and as at 30 June 2023 comprise the Company and its subsidiaries (collectively known as the "Group").

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

2 Corporate information (Cont'd)

The Group is primarily involved in the selling and distribution of healthcare products. The principal activities of the subsidiaries are:

- (a) investment holding and management consultancy services for healthcare organisations;
- (b) hospital products management, medical technology, biotechnology, technology development and health management consulting; and
- (c) conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical devices such as HIFU machines and other medical equipment.

3 Basis of preparation

The half-year financial statements of the Group for the period ended and as at 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") 1-34 *Interim Financial Reporting* issued by the Accounting and Corporate Regulatory Authority. These half-year 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 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

In preparing the half-year financial statements of the Group for the period ended and as at 30 June 2023, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2022.

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 assessment on goodwill*

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

4 Use of judgements and estimates (Cont'd)

ii) 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.

iii) 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.

iv) 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.

v) 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) Investment holding for healthcare, health education and property management; (ii) healthcare products and services; and (iii) health education (2022: (i) rental of property and corporate; (ii) childcare wellness education; 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.

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6 Segment information (Cont'd)

(b) Segment revenues and results

	Type	Timing of revenue recognition	6 months ended			
			30.06.2023		30.06.2022	
			Revenue		Revenue	
			%	S\$'000	%	
Group						
Rental of property and Investment holding for healthcare, health education and property management	Rental income	Over-time	-	-	3	1.2
Healthcare products and services	Sale of goods	At a point in time	547	100.0	248	98.8
Total			547	100.0	251	100.0

The Group's revenue was derived from rental of property, Investment holding for healthcare, health education and property management and sales of healthcare products and services, all of which operate in Singapore. There were no inter-segment sales during the periods ended 30 June 2023 and 30 June 2022.

	6 months ended			
	30.06.2023		30.06.2022	
	Results		Results	
	S\$'000	%	S\$'000	%
Group				
Rental of property, Investment holding for healthcare, health education and property management	(1,051)	94.6	(1,325)	59.5
Childcare wellness education (Discontinued operation)	31	(2.8)	(158)	7.1
Healthcare products and services	(91)	8.2	(745)	33.4
Total	(1,111)	100.0	(2,228)	100.0

As at 30 June 2023 and 31 December 2022, the allocation of the Group's total assets and liabilities to the reportable segments are as follows:

	Rental of property, Investment holding for healthcare, health education and property management	Childcare wellness education (Discontinued operation)	Healthcare products and services	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>As at 30 June 2023</u>				
Assets				
Segment assets	1,214	-	3,052	4,266
Liabilities				
Segment liabilities	(2,394)	-	(1,676)	(4,070)
<u>For the period ended 30 June 2023</u>				
Other information				
Depreciation	(54)	-	(138)	(192)
Gain on disposal of a subsidiary	-	106	-	106
<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)

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6 Segment information (Cont'd)

(b) *Segment revenues and results (cont'd)*

For the period ended 30 June 2022

Other information

Depreciation	(170)	(52)	(131)	(353)
Amortisation	-	(9)	-	(9)

7 Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	Group		Company	
	30.06.2023 S\$'000	31.12.2022 S\$'000	30.06.2023 S\$'000	31.12.2022 S\$'000
<u>Financial assets</u>				
<i>At amortised cost</i>				
Trade and other receivables	1,362	705	741	397
Amount due from director	7	-	-	-
Cash and bank balances	607	170	500	40
	<u>1,976</u>	<u>875</u>	<u>1,241</u>	<u>437</u>
<u>Financial liabilities</u>				
<i>At amortised cost</i>				
Lease liabilities	878	1,106	233	174
Deferred consideration	387	-	-	-
Loan from a director	1,400	-	1,400	-
Amount due to directors	101	-	101	-
Loan and borrowing	415	207	-	-
Trade and other payables	2,229	499	3,825	410
	<u>5,410</u>	<u>1,812</u>	<u>5,559</u>	<u>584</u>

8 Taxation

The Group calculates the period income tax credit using the tax rate that would be applicable to the losses. The major components of income tax credit in the half-year financial statements for the periods ended 30 June 2023 and 30 June 2022 are as follows:

	Group	
	30.06.2023 S\$'000	30.06.2022 S\$'000
Continuing operations		
Current income tax expense	-	-
Deferred tax income relating to origination and reversal of temporary differences	-	-
Tax credit	-	-
Discontinued operation		
Current income tax expense	-	-
Deferred tax income relating to origination and reversal of temporary differences	(1)	(2)
Tax credit	(1)	(2)

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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 operations 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 30.06.2022 S\$'000
Revenue	77	77
Costs of sales	-	(3)
	77	74
Other operating income	27	27
Selling and distribution expenses	-	(3)
Administrative expenses	(160)	(237)
Other operating expenses	(15)	(10)
Finance expenses	(5)	(11)
Loss before tax	(76)	(160)
Tax credit	1	2
Loss for the period	(75)	(158)
Gain on disposal of discontinued operation	106	-
Profit/(Loss) from discontinued operations	31	(158)

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

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

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11 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.

11(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 not received an adverse opinion, qualified opinion or disclaimer of opinion in the latest financial statements.

12 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 13.

13 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 period. There is no material impact on the Group's financial statements upon the adoption of these SFRS(I)s.

14 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.

	Group	
	6 months ended	
Loss per share attributable to shareholders of the Group	30.06.2023	30.06.2022
Loss per ordinary share of the group, after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue	(0.12)	(0.22)
- Weighted average number of shares	933,802,074	933,802,074
(b) On a fully diluted basis	(0.12)	(0.22)
- Weighted average number of shares	933,802,074	933,802,074

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

- 15 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 30.06.2023	As at 31.12.2022	As at 30.06.2023	As at 31.12.2022
Net asset value per ordinary share based on issued share capital (cents):	0.02	0.12	0.01	0.13

- 16 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 has increased by S\$0.30 million from S\$0.25 million in the 6-month ended 30 June 2022 ("1H2022") to approximately S\$0.55 million in the current 6-month period ended 30 June 2023 ("1H2023"). The increase can be primarily attributed to the improved performance of the Group's healthcare 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\$0.25 million in 1H2022 to S\$0.55 million in 1H2023.

Other operating income

The Group's other operating income in 1H2023 has remained largely constant as compared to 1H2022 with a slight decrease from S\$0.06 million to S\$0.05 million. The S\$0.05 million in 1H2023 is mainly from the gain on settlement of litigation.

Selling and distribution expenses

Selling and distribution expenses decreased by S\$0.42 million from S\$0.57 million in 1H2022 to approximately S\$0.15 million in 1H2023. 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\$0.36 million from S\$1.68 million in 1H2022 to S\$1.32 million in 1H2023. The decrease was mainly due to the decrease in employee benefit expenses from S\$0.80 million in 1H2022 to approximately S\$0.61 million in 1H2023 following from the Group's efforts to optimise the Group's employee headcount by improving productivity to enable more efficient use of its resources and the decrease in depreciation for right-of-use assets from S\$0.20 million in 1H2022 to approximately S\$0.11 million in 1H2023.

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Other operating expenses

No other operating expenses were incurred in 1H2022 as compared to S\$0.01 million in 1H2023. 1H2023's other operating expenses of S\$0.01 million pertains to introduction expenses incurred for the sale of DKP in 1H2023.

Finance costs

Finance costs of the Group has decreased by S\$0.01 million from S\$0.03 million in 1H2022 to S\$0.02 million in 1H2023. The decrease was mainly pertaining to the decrease in the interest on lease liabilities.

Loss for the financial period (attributable to equity holders of the Company)

As a result of all the above, the Group recorded losses of S\$1.11 million in 1H2023 as compared to losses of S\$2.23 million in 1H2022.

Discontinued operations

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.

DKP incurred loss of S\$0.08 million during 1H2023 as compared to a loss of S\$0.16 million in 1H2022. The Group recognised a gain on disposal of S\$0.11 million, with S\$0.03 million reflected as profit after tax from discontinued operation.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

Current assets

Current assets have increased by S\$1.49 million, from S\$1.42 million as of 31 December 2022 to S\$2.91 million as of 30 June 2023. The increase was mainly due to the increase in cash and cash equivalents of S\$0.44 million mainly due to proceeds from the loans from a director and borrowing of S\$1.6 million and net proceeds from the disposal of DKP of S\$0.24 million, offset by the cash outflows from operating activities of S\$1.40 million. The increase is also due to the increase in inventories of S\$0.30 million and trade and other receivables of S\$0.76 million, mainly contributed from the newly acquired Quest Asia Technologies Pte Ltd ("QAT").

Non-current assets

Non-current assets have decreased by S\$0.29 million, from S\$1.64 million as of 31 December 2022 to S\$1.35 million as of 30 June 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\$0.19 million for 1H2023 and disposal of the right-of-use assets under DKP of S\$0.17 million, offset by an increase in intangible assets of S\$0.06 million from the acquisition of QAT.

Non-current liabilities

Non-current liabilities have increased by approximately S\$0.08 million, from S\$1.09 million as of 31 December 2022 to S\$1.17 million as of 30 June 2023. This was primarily due to an increase of S\$0.21 million in loan and borrowings obtained from a director of the Group's subsidiary, S\$0.19 million in deferred consideration and S\$0.01 million in deferred tax liabilities arising from the acquisition of QAT. This is offset by a decrease in lease liabilities of S\$0.31 million and decrease of S\$0.03 million in provision for reinstatement costs mainly attributable to DKP which has been disposed during 1H2023.

Current liabilities

Current liabilities have increased by S\$2.06 million, from S\$0.84 million as of 31 December 2022 to S\$2.90 million as of 30 June 2023. The increase is due to the increase of S\$1.40 million in loan from a director and increase of S\$0.10 million in amount due to directors, increase of S\$0.28 million in trade and other payables and increase of S\$0.20 million in deferred consideration arising from the acquisition of QAT as well as the increase of S\$0.08 million in current portion of lease liabilities.

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REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

In 1H2023, the Group recorded a net cash outflow for operating activities of S\$1.45 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$1.00 million and adjusted for working capital outflow of S\$0.43 million. Working capital outflow is mainly due to (i) increase in trade and other payables of approximately S\$0.27 million; (ii) decrease of S\$0.76 million in trade and other receivables offset by increase in inventories of S\$0.06 million.

Net cash generated from / (used in) investing activities

Net cash used in investing activities of S\$0.02 million during 1H2022 was for the acquisition of property, plant and equipment.

Net cash generated from investing activities of S\$0.37 million during 1H2023 arose from net proceeds of S\$0.24 million from disposal of a subsidiary and proceeds of S\$0.13 million from acquisition of a subsidiary, net of cash acquired.

Net cash generated from/(used in) financing activities

Net cash used in financing activity of S\$0.22 million during 1H2022 mainly relates to the payment for the principal portion of lease liabilities.

Net cash generated from financing activities of S\$1.51 million during 1H2023 arose mainly due to loan of S\$1.40 million provided by a director.

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

Not applicable.

18 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 Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or acquisitions that have potential to generate value for shareholders. The directors will continue to monitor the situation and respond proactively to improve the Group's financial performance and financial position.

As at 1H2023, the Group's available funds are at S\$0.61 million. To maintain its operations and/or facilitate further growth of its businesses, the Group will continue to explore fund raising opportunities and/or grow through strategic acquisitions.

Looking ahead, we anticipate sustained revenue growth in the healthcare sector, driven by our progress since April 2020. With over 6,000 products introduced across medical, laboratory, veterinary, and dental segments, and approximately 60% of them being Health Sciences Authority ("HSA") registered, our focus remains on revenue generation. Targeting Singapore government tenders while expanding our regional brand presence positions us for continued sector growth. Amid global economic uncertainty, healthcare's pivotal role in recovery is evident, and we are dedicated to expanding our market share, profit margins, and service quality. Our immediate plans include prioritising the sale and distribution of high-tech, sustainable products to various overseas markets.

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19 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.

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

No dividend has been declared or recommended for the first six months ended 30 June 2023 in view that the cash could be used to meet the Group's operational and financial cash needs. In the meantime, we are focusing on expanding our business operations, in particular, the Group's healthcare product and services segment.

21 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 IPTs from the shareholders.

22 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 their knowledge, nothing has come to the attention of the Company's Board of Directors which may render the unaudited financial statements for the first six months ended 30 June 2023 to be false or misleading in any material aspect.

23 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.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

BY ORDER OF THE BOARD

ZHAO XIN
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
8 August 2023

*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:

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