

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

PART (I) - INFORMATION REQUIRED FOR ANNOUNCEMENTS 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		
	30.06.2021 S\$'000	30.06.2020 S\$'000	Increase/ (Decrease) %
Revenue	185	306	(39.5%)
Cost of sales	(8)	(4)	N.M.
Gross profit	177	302	(41.4%)
Other operating income	1,981	176	1025.6%
Selling and distribution expenses	(195)	-	100.0%
Administrative expenses	(1,877)	(785)	139.1%
Other operating expenses	(18)	(458)	(96.1%)
Finance expenses	(32)	(44)	(27.3%)
Profit/(Loss) before tax	36	(809)	(104.4%)
Tax credit	2	-	N.M.
Profit/(Loss) for the financial period	38	(809)	(104.7%)
Other comprehensive 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	3	-	N.M.
	3	-	N.M.
Total comprehensive income/(loss) for the financial period	41	(809)	(105.1%)
Profit/(Loss) attributable to			
Equity holders of the Company	75	(809)	(109.3%)
Non-controlling interests	(37)	-	100.0%
	38	(809)	(104.7%)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	78	(809)	(109.6%)
Non-controlling interests	(37)	-	100.0%
	41	(809)	(105.1%)

N.M. - Not meaningful

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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)

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

NOTES TO THE UNAUDITED HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED	Group		
	6 months ended		
	30.06.2021 S\$'000	30.06.2020 S\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(60)	(175)	(65.7%)
Depreciation of right-of-use assets	(185)	(252)	(26.6%)
Amortisation of intangible asset	(9)	-	N.M.
Interest expense	-	(5)	N.M.
Interest expense on lease liabilities	(32)	(39)	(17.9%)
Employee benefits expenses	(1,155)	(525)	120.0%
Gain on sale of leasehold land and building	1,884	-	100.0%

N.M. - Not meaningful

There are no material related party transactions apart from those disclosed elsewhere in the half-year financial statements for the periods ended 30 June 2021 and 30 June 2020.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT	Group		Company	
	30.06.2021 S\$'000	(Restated) 31.12.2020 S\$'000	30.06.2021 S\$'000	31.12.2020 S\$'000
Current assets				
Asset held for sale	-	7,449	-	7,449
Inventories	237	10	-	-
Trade and other receivables	898	757	2,126	1,151
Cash and cash equivalents	6,191	619	6,043	402
	7,326	8,835	8,169	9,002
Non-current assets				
Property, plant and equipment	705	381	281	298
Right-of-use assets	1,759	751	504	415
Investment in subsidiaries	-	-	350	200
Intangible asset	46	55	-	-
Goodwill on consolidation	267	267	-	-
Other non-current assets	10	-	-	-
	2,787	1,454	1,135	913
Total assets	10,113	10,289	9,304	9,915
Current liabilities				
Lease liabilities	445	285	225	207
Trade and other payables	448	1,678	383	1,571
Provision for other liabilities	439	439	439	439
Provision for reinstatement costs	30	-	-	-
Income tax payable	1	1	-	-
	1,363	2,403	1,047	2,217
Non-current liabilities				
Lease liabilities	1,321	496	295	222
Deferred tax liabilities	288	290	280	280
	1,609	786	575	502
Total liabilities	2,972	3,189	1,623	2,719
Net assets	7,141	7,100	7,681	7,196
Equity				
Share capital	42,927	42,927	42,927	42,927
Accumulated losses	(43,419)	(43,494)	(42,943)	(43,428)
Other reserves	7,703	7,700	7,697	7,697
Total equity attributable to equity holders of the Company	7,211	7,133	7,681	7,196
Non-controlling interests	(70)	(33)	-	-
Total equity	7,141	7,100	7,681	7,196

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

1(b)(i) A statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Cont'd)

In accordance with *SFRS(I) 3 Business Combination*, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statement provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

As such, the comparative information as at 31 December 2020 were restated accordingly following the finalisation of the Purchase Price Allocation (“PPA”) exercise, of which an intangible asset namely Acquired Student Population (“ASP”) of S\$0.07 million and corresponding deferred tax liabilities of S\$0.01 million were recognised and adjusted retrospectively as at the date of acquisition of 1 March 2020.

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT (EXTRACTED)	Group			
	(As previous reported) 31.12.2020 S\$'000	Debit S\$'000	Credit S\$'000	(Restated) 31.12.2020 S\$'000
Non-current assets				
Goodwill on consolidation	326	-	59	267
Intangible asset	-	71	16	55
Non-current liabilities				
Deferred tax liabilities	280	2	12	290
Capital and reserves				
Accumulated losses	(43,480)	14	-	(43,494)

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

The Group does not have any borrowings and debt securities as at 30 June 2021 and 31 December 2020.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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	
	30.06.2021 S\$'000	30.06.2020 S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	36	(809)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	60	175
- Depreciation of right-of-use assets	185	252
- Amortisation of intangible asset	9	-
- Interest expense	-	5
- Interest expense on lease liabilities	32	39
- Contribution of property, plant and equipment from a controlling shareholder	-	(3)
- Waiver of debt	-	(40)
- Gain on sale of leasehold land and building	(1,884)	-
Operating cash flows before changes in working capital	(1,562)	(381)
<i>Changes in working capital:</i>		
- Inventories	(227)	-
- Trade and other receivables	(141)	3
- Trade and other payables	(1,228)	64
Net cash used in operations	(3,158)	(314)
Interest paid	(32)	(5)
Tax paid	-	-
Net cash used in operating activities	(3,190)	(319)
Cash flows from investing activities		
Purchase of property, plant and equipment	(564)	(90)
Proceeds from sale of leasehold land and building	9,500	-
Acquisition of subsidiary, net of cash acquired	-	(405)
Net cash generated from/(used in) investing activities	8,936	(495)

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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	
	30.06.2021 S\$'000	30.06.2020 S\$'000
Cash flows from financing activities		
Proceeds from issuance of new shares	-	2,094
Proceeds from loan from directors of the Company	-	158
Proceeds from loan from a controlling shareholder	-	1,190
Repayment of loan from a former director	-	(707)
Repayment of loan from a controlling shareholder	-	(550)
Repayment of bank borrowings	-	(1,050)
Repayment of principal portion of lease liabilities	(174)	(245)
Net cash (used in)/generated from financing activities	(174)	890
Net increase in cash and cash equivalents	5,572	76
Cash and cash equivalents at beginning of financial period	619	3
Effect of exchange rates changes on cash & cash equivalents	-	-
Cash and cash equivalents at end of financial period	6,191	79

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

1(d)(i) A statement (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 31 December 2020	42,927	7,700	(43,480)	7,147	(33)	7,114
SFRS(I) 3 Adjustment (Note 1(b)(i))	-	-	(14)	(14)	-	(14)
Balance at 1 January 2021 (Restated)	42,927	7,700	(43,494)	7,133	(33)	7,100
Total comprehensive income/ (loss) for the period	-	3	75	78	(37)	41
Balance at 30 June 2021	42,927	7,703	(43,419)	7,211	(70)	7,141
Balance at 1 January 2020	38,530	7,697	(40,723)	5,504	-	5,504
Issuance of new shares	2,094	-	-	2,094	-	2,094
Total comprehensive loss for the period	-	-	(809)	(809)	-	(809)
Balance at 30 June 2020	40,624	7,697	(41,532)	6,789	-	6,789

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	42,927	7,697	(43,428)	7,196
Total comprehensive income for the period	-	-	485	485
Balance at 30 June 2021	42,927	7,697	(42,943)	7,681
Balance at 1 January 2020	38,530	7,697	(40,692)	5,535
Issuance of new shares	2,094	-	-	2,094
Total comprehensive loss for the period	-	-	(831)	(831)
Balance at 30 June 2020	42,927	7,697	(41,523)	6,798

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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 2021 and 31 December 2020.

TREASURY SHARES

The Company did not have any outstanding treasury shares as at 30 June 2021 and 31 December 2020.

SUBSIDIARY HOLDINGS

The Company did not have any subsidiary holdings as at 30 June 2021 and 31 December 2020.

WARRANTS

The total number of issued warrants were 77,535,407 as at 30 June 2021 and 31 December 2020.

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 30 June 2021 and 31 December 2020.

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 2021 and 31 December 2020.

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 2021 and 31 December 2020.

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 Temasek Boulevard, #23-02 Suntec Tower Three, Singapore 038988.

These half-year financial statements for the period ended and as at 30 June 2021 comprise the Company and its subsidiaries (collectively known as the "Group").

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2 Corporate information (Cont'd)

The principal activities of the Group are that of investment holding, and provision of healthcare, childcare and property management services. The principal activities of the subsidiaries are:

- (a) investment holding and management consultancy services for healthcare organisations;
- (b) real estate leasing and management;
- (c) investment holding, nurseries and kindergartens;
- (d) hospital management, medical technology, biotechnology, technology development and health management consulting;
- (e) child care services for pre-school children; and
- (f) conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical of HIFU machine and other medical equipments.

3 Basis of preparation

The half-year financial statements of the Group for the period ended and as at 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 2020.

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 2021, 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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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:

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its 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 the effective interest rate of bank loan with charge on the leasehold land secured from a bank in previous years.

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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) 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 earned 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.

(b) Segment revenues and results

	Type	Timing of revenue recognition	6 months ended			
			30.06.2021		30.06.2020	
			Revenue		Revenue	
			%	S\$'000	%	
Group						
Rental of property and corporate	Rental income	Over-time	25	13.5	175	57.2
Childcare wellness education	Childcare income	Over-time	159	85.9	131	42.8
Healthcare products and services	Sale of goods	At a point in time	1	0.6	-	-
Total			185	100.0	306	100.0

The Group's revenue was derived from rental of property, childcare services, 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 2021 and 30 June 2020.

	6 months ended			
	30.06.2021		30.06.2020	
	Results		Results	
	S\$'000	%	S\$'000	%
Group				
Rental of property and corporate	407	1071.1	(841)	104.0
Childcare wellness education	(31)	(81.6)	43	(5.3)
Healthcare products and services	(338)	(889.5)	(11)	1.3
Total	38	100	(809)	100.0

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6 Segment information (Cont'd)

(c) *Segment assets and liabilities*

As at 30 June 2021 and 31 December 2020, the allocation of the Group's total assets and liabilities to the reportable segments are as follows:

	Rental of property and corporate S\$'000	Childcare wellness education S\$'000	Healthcare products and services S\$'000	Total S\$'000
Group				
<u>As at 30 June 2021</u>				
Assets				
Segment assets	7,789	544	1,780	10,113
Liabilities				
Segment liabilities	520	409	2,043	2,972
<u>For the period ended 30 June 2021</u>				
Other information				
Gain on sale of leasehold land and building	(1,884)	-	-	(1,884)
Depreciation	161	49	35	245
Amortisation	9	-	-	9
<u>As at 31 December 2020</u>				
Assets				
Segment assets	9,147	987	155	10,289
Liabilities				
Segment liabilities	2,729	450	10	3,189
<u>For the period ended 30 June 2020</u>				
Other information				
Depreciation	398	29	-	427

7 Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets</u>				
<i>At amortised cost</i>				
Trade and other receivables	801	723	2,049	1,134
Cash and bank balances	6,191	619	6,043	402
	6,992	1,342	8,092	1,536
<u>Financial liabilities</u>				
<i>At amortised cost</i>				
Lease liabilities	1,766	781	520	429
Trade and other payables	448	1,678	383	1,571
	2,214	2,459	903	2,000

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8 Taxation

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings/(losses). The major components of income tax (credit)/expense in the half-year financial statements for the periods ended 30 June 2021 and 30 June 2020 are as follows:

	Group	
	6 months ended	
	30.06.2021	30.06.2020
	S\$'000	S\$'000
Current income tax expense	-	-
Deferred tax (income)/expense relating to origination and reversal of temporary differences	(2)	-
Tax credit	(2)	-

9 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.

10 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.

10(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 statement.

11 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 2020, except for those as disclosed under paragraph 12.

12 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 has 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.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

- 13 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 (EPS) based on net profit attributable to shareholders of the Group	Group	
	6 months ended	
	30.06.2021	30.06.2020
Profit/(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	0.01	(0.12)
- Weighted average number of shares	933,802,074	689,256,915
(b) On a fully diluted basis	0.01	(0.11)
- Weighted average number of shares	933,802,074	689,256,915

- 14 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	As at	As at	As at
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Net asset value per ordinary share based on issued share capital at the end of (cents):	0.77	0.77	0.82	0.77

- 15 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

Revenue

The Group's revenue has decreased by S\$0.12 million from S\$0.31 million in First Half for Financial Year 2020 ("1H2020") to S\$0.19 million in First Half for Financial Year 2021 ("1H2021"). The decrease was primarily due to the disposal of the leasehold building in February 2021, which in turn resulted in the decrease of rental income generated from the leasehold building.

Other operating income

Other operating income has increased by S\$1.81 million from S\$0.18 million in 1H2020 to S\$1.98 million in 1H2021. The increase was mainly due to the gain on sale of leasehold land and building amounting to S\$1.88 million.

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Selling and distribution expenses

Selling and distribution expenses of S\$0.20 million was solely contributed by one of the components within the Group, namely AJJ Healthcare Management Pte. Ltd., of which mainly relating to the product registration cost and employee benefits expenses paid/payable to the sales personnel and representative.

Administrative expenses

Administrative expenses of the Group has increased by S\$1.09 million from S\$0.79 million in 1H2020 to S\$1.88 million in 1H2021. The increase was mainly due to (i) increase of S\$0.63 million in employee benefits expenses following the acquisition of Discovery Kidz Preschool Pte. Ltd. in 1 March 2020 (i.e. consolidated for 4 months for period ending 1H2020 instead of 6 months for period ending 1H2021) as well as increase in total headcount of the Group to 32 as at 30 June 2021 (30 June 2020: 17) following the expansion in operation for healthcare industry; (ii) increase of S\$0.13 million in professional and legal fees incurred for existing litigation and legal cases as well as related trademark registration and intellectual property consultation services; (iii) increase of S\$0.09 million in directors' fees; (iv) increase of S\$0.10 million in professional fees paid/payable to consultants and advisors; and (v) increase in aggregate of other expenses of S\$0.14 million.

Other operating expenses

Other operating expenses of the Group has decreased by S\$0.44 million from S\$0.46 million in 1H2020 to S\$0.02 million in 1H2021. This is because no depreciation charge being incurred for the Aljunied Building following the reclassification to "Asset held for sale" in corresponding period of immediate preceding year which is in accordance with the requirement under SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operation. The depreciation for existing property, plant and equipment are classified under "Administrative expenses" which is consistent with classification in the corresponding period.

Finance costs

Finance costs of the Group has decreased by S\$0.12 million from S\$0.44 million in 1H2020 to S\$0.32 million in 1H2021. The decrease was mainly because the loans from bank borrowings, former directors and controlling shareholder of which yielding interest have all been fully settled prior to the beginning of current financial period. As such, the finance costs incurred during the current financial period mainly pertaining to the interest on lease liabilities.

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

As a result of all the above, the Group has turnaround from a loss position in 1H2020 to a profit position in 1H2021. In addition, out of the S\$0.04 million profit generated by the Group during current period, there was a loss of S\$0.04 million attributable to non-controlling interests, which made the profit attributable to the equity holders of the Company at S\$0.08 million.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

Current assets

Current assets have decreased by S\$1.51 million, from S\$8.84 million in December 2020 to S\$7.33 million in June 2021. The decrease was mainly due to the disposal of leasehold land and building that previously carried under "Asset held for sale" amounting to S\$7.45 million, which in turn covert into cash and cash equivalents following the receipt from the purchaser. This can be seen from the increase of cash and cash equivalents amounted to S\$5.57 million. Lower increase in cash and cash equivalents was noted as the Group has utilised some portion of the proceeds for operation purpose including application for relevant certificate in medical field as well as investment in property, plant and equipment and inventories.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

Non-current assets

Non-current assets have increased by S\$1.33 million, from S\$1.46 million in December 2020 to S\$2.79 million in June 2021. The increase were mainly due to (i) acquisition of property, plant and equipment amounted to S\$0.56 million; and (ii) addition of right-of-use assets particularly for the premises in Commonwealth's office and a new rental motor vehicle of which total amounted to approximate S\$1.00 million. However, these have been offset by the depreciation for both the property, plant and equipment and right-of-use assets of which total amounted to S\$0.25 million.

Non-current liabilities

Non-current liabilities have increased by S\$0.82 million, from S\$0.79 million in December 2020 to S\$1.61 million in June 2021. This was primarily due to the increase in non-current portion of lease liabilities following the addition of right-of-use assets as mentioned above.

Current liabilities

Current liabilities have decreased by S\$1.04 million, from S\$2.40 million in December 2020 to S\$1.36 million in June 2021. The decrease was mainly due to the settlement of trade and other payables amounting to S\$1.23 million, of which primarily including the deposit received from the sale of leasehold land and building amounted to S\$0.95 million as well as the GST payables to the authority arising from this transaction amounted to S\$0.07 million.

However, these have been offset by the increase in current portion of lease liabilities following the addition of right-of-use assets as mentioned above.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

Net cash used in operating activities has been increased from S\$0.32 million in 1H2020 to S\$3.19 million in 1H2021. The increases mainly due to (i) payment of employee benefit expenses of S\$1.16 million; (ii) settlement of trade and other payables of approximate S\$1.23 million as mentioned above; (iii) addition of inventories of S\$0.23 million; (iv) increase of S\$0.14 million in trade and other receivables which mainly derived from the deposit made for the leasing of Commonwealth's office; and (v) payment of other administrative and operating expenses.

Net cash generated from/(used in) investing activities

Net cash generated from investing activities of S\$8.94 million during the period mainly arose from the proceeds from sale of leasehold land and building amounted to S\$9.50 million, offset by the acquisition of property, plant and equipment (mainly relating to the renovation in Commonwealth's office in order to fulfil the requirement of becoming a medical products manufacturing plant) of S\$0.56 million.

Whereas, net cash used in investing activities of S\$0.50 million during the comparative period of immediate preceding financial period was derived from the acquisition of a new subsidiary, namely Discovery Kidz Preschool Pte. Ltd. of S\$0.41 million and acquisition of property, plant and equipment (mainly relating to the renovation in Suntec's office) of S\$0.09 million.

Net cash (used in)/generated from financing activities

Net cash used in financing activities of S\$0.17 million during the period mainly relate to the payment for principal portion of respective lease liabilities.

Whereas, net cash generated from financing activities of S\$0.89 million during the comparative period of immediate preceding financial period was arose from (i) proceeds from issuance of new shares amounted to S\$2.09 million; and (ii) net proceeds from loans from directors and controlling shareholder of the Company amounted to S\$0.16 million and S\$0.64 million respectively. However, these have been offset by the (i) repayment made to former director of S\$0.71 million; (ii) repayment made for bank borrowings of S\$1.05 million; and (iii) payment for principal portion of lease liabilities amounted to S\$0.24 million.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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

Not applicable.

17 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 COVID-19 outbreak and the associated lockdowns all over the world have resulted in an unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. While the Company expects the challenges brought by the COVID-19 pandemic to continue, the Company intends to rise to meet such challenges with an emphasis being the safety and well-being of our staff. Meanwhile, the COVID-19 pandemic has also increased awareness and demand for the Group's healthcare related products.

The Group does not anticipate making significant changes to its business plans.

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.

Event occurring after reporting period

Pursuant to the recent announcement released on 29 July 2021, the Company has entered into an amicable settlement with the local law firm for all disputes as detailed in the FY2020's Annual Report. The settlement was on a full and final settlement basis and the local law firm has filed notices of discontinuance for the First Proceedings and the Second Proceedings after receipt of the settlement sum.

18 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.

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

19 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the first six months ended 30 June 2021 in view that the Group is focusing on expanding its business operation and developing at breakneck speed.

20 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.

21 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 Board of Directors of the Company which may render the unaudited financial statements for the first six months ended 30 June 2021 to be false or misleading in any material aspect.

22 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.

BY ORDER OF THE BOARD

ZHAO XIN
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
12 August 2021

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"). The Sponsor has not independently verified the contents of this announcement.

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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