Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

RMH HOLDINGS LIMITED
德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8437)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the "Directors") of RMH Holdings Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The unaudited revenue of the Group amounted to approximately S$7,713,000 for the six months ended 30 June 2022, representing an increase of approximately S$3,090,000 or 66.8% as compared with the revenue of approximately S$4,623,000 for the six months ended 30 June 2021.

- The unaudited loss of the Group was approximately S$4,948,000 for the six months ended 30 June 2022, representing an increase of approximately S$2,119,000 or 74.9% as compared with the losses of approximately S$2,829,000 for the six months ended 30 June 2021. The losses mainly attributable to (i) employee benefits expense amounting to approximately S$4,274,000, representing an increase of approximately S$1,585,000 or 58.9%, as compared with six months ended 30 June 2022 additional headcounts of the Group; (ii) the increase of operational costs; and (iii) unrealised loss of fair value through profit or loss instruments. Besides, we trend for doctors to be salary model as part of a foundation and retention purpose. We have 1 new dermatologist under salary model joined us during first quarter of year 2022. We have total 9 dermatologists with composition of salary model and commission model. On the other hand, other miscellaneous expenses lead the increase of other operating expenses.

- Loss per share was 0.44 Singapore cents for the six months ended 30 June 2022 while the loss per share was 0.40 Singapore cents for the six months ended 30 June 2021.

- The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2022.

UNAUDITED INTERIM RESULTS

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Three months ended 30 June		**Six months ended 30 June**	
		2022	2021	**2022**	2021
	Notes	***S$'000***	*S$'000*	***S$'000***	*S$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*5*	**4,402**	2,463	**7,713**	4,623
Other operating income	*6*	**642**	162	**865**	457
Consumables and medical supplies used		**(1,459)**	(392)	**(2,597)**	(722)
Other direct costs		**(90)**	(87)	**(171)**	(179)
Employee benefits expense		**(2,323)**	(1,514)	**(4,274)**	(2,689)
Amortisation of intangible assets		**(49)**	–	**(96)**	–
Depreciation of plant and equipment		**(180)**	(207)	**(359)**	(384)
Depreciation of right-of-use assets		**(751)**	(641)	**(1,480)**	(1,271)
Other operating expenses		**(2,527)**	(1,715)	**(4,382)**	(2,562)
Reversal of impairment loss on other receivables		**–**	122	**–**	122
Finance costs	*7*	**(84)**	(93)	**(167)**	(186)
Share of loss of joint venture	*15*	**–**	–	**–**	–
Loss before tax	*8*	**(2,419)**	(1,902)	**(4,948)**	(2,791)
Income tax expense	*9*	**–**	(19)	**–**	(38)
Loss and total comprehensive loss for the period		**(2,419)**	(1,921)	**(4,948)**	(2,829)
Item that may be unclassified subsequently to profit or loss					
Foreign currency translation (loss)/income on consolidation		**(122)**	(4)	**(100)**	(56)
Other comprehensive (loss)/income for the period, net of tax		**(122)**	(4)	**(100)**	(56)
Total comprehensive loss for the period		**(2,541)**	(1,925)	**(5,048)**	(2,885)
Loss per share (Singapore cents)	*10*	**(0.22)**	(0.27)	**(0.44)**	(0.40)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	**30 June 2022 S$'000 (Unaudited)**	31 December 2021 S$'000 (Audited)
NON-CURRENT ASSETS			
Plant and equipment		**2,203**	1,927
Intangible assets		**696**	789
Right-of-use assets		**6,152**	5,857
Deposits		**–**	700
Investment in joint venture		**–**	–
Investment in associates		**68**	–
		9,119	9,273
CURRENT ASSETS			
Inventories		**2,237**	1,096
Trade and other receivables		**12,587**	5,766
Fair value through profit or loss instrument		**1,765**	616
Finance lease receivables		**–**	18
Cash and cash equivalents		**1,030**	2,138
		17,619	9,634
CURRENT LIABILITIES			
Trade and other payables		**8,198**	2,982
Lease liabilities		**2,753**	2,544
Borrowings		**2,411**	1,309
Income tax payables		**–**	22
		13,362	6,857
NET CURRENT ASSETS		**4,257**	2,777
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,376**	12,050

	Notes	**30 June 2022** **S$'000** **(Unaudited)**	31 December 2021 *S$'000* (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**3,359**	3,523
Trade and other payables		**300**	277
Borrowings		**3,004**	3,683
		6,663	7,483
NET ASSETS		**6,713**	4,567
CAPITAL AND RESERVES			
Share Capital		**2,240**	1,493
Share Premium		**23,457**	17,011
Reserves		**2,047**	2,147
Accumulated loss		**(21,031)**	(16,084)
		6,713	4,567

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

			Reserve			
	Share capital	Share premium	Foreign currency translation reserve	Other reserve	Retained earnings (Accumulated loss)	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2022 (audited)	**1,493**	**17,011**	**(18)**	**2,165**	**(16,084)**	**4,567**
Total comprehensive income for the period:						
Loss for the period	**–**	**–**	**–**	**–**	**(4,948)**	**(4,948)**
Other comprehensive (loss) for the period	**–**	**–**	**(100)**	**–**	**–**	**(100)**
Consolidation adjustments	**–**	**1**	**–**	**–**	**1**	**2**
Total comprehensive loss for the year	**–**	**1**	**(100)**	**–**	**(4,947)**	**(5,046)**
Issuing of shares by placing	**747**	**6,722**	**–**	**–**	**–**	**7,469**
Transaction costs attributable to issue of shares by placing	**–**	**(277)**	**–**	**–**	**–**	**(277)**
At 30 June 2022 (unaudited)	**2,240**	**23,457**	**(118)**	**2,165**	**(21,031)**	**6,713**
At 1 January 2021 (audited)	1,037	9,589	39	2,165	(7,299)	5,531
Total comprehensive income for the period:						
Loss for the period	–	–	–	–	(2,829)	(2,829)
Other comprehensive (loss) for the period	–	–	(56)	–	–	(56)
Total comprehensive loss for the year	–	–	(56)	–	(2,829)	(2,885)
Issue of new shares	206	4,347	–	–	–	4,553
At 30 June 2021 (unaudited)	1,243	13,936	(17)	2,165	(10,128)	7,199

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before taxation	**(4,948)**	(2,791)
Adjustment for:		
Depreciation of plant and equipment	**359**	384
Amortisation of intangible assets	**96**	–
Depreciation of right-of-use assets	**1,480**	1,271
Reversal of impairment loss on other receivables	**–**	(122)
Loss on derecognised of finance lease receivables	**–**	318
Interest income	**(1)**	–
Interest income from rental deposit	**–**	(16)
Interest income from finance lease receivable	**–**	(5)
Interest expense on lease liabilities	**88**	90
Interest expense on term loan	**79**	96
Unrealised loss of fair value through profit or loss instruments, net	**1,208**	–
Operating cash flows before working capital changes	**(1,639)**	(775)
Movement in working capital:		
Increase in inventories	**(1,141)**	(359)
Increase in trade and other receivables and rental deposits	**(6,121)**	(472)
Decrease in deferred revenue	**–**	(77)
Increase/(Decrease) in trade and other payables	**5,216**	(247)
Cash used in operations	**(3,685)**	(1,930)
Interest received	**1**	–
Income tax paid	**(22)**	(66)
Cash used in operating activities	**(3,706)**	(1,996)

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
INVESTING ACTIVITY		
Purchase of plant and equipment	**(626)**	(971)
Development of software	**(1)**	(87)
Purchases of fair value through profit or loss instruments	**(1,729)**	–
Purchases of shareholdings in associates	**(68)**	–
Repayment of finance lease receivables	**18**	275
Cash used in investing activity	**(2,406)**	(783)
FINANCING ACTIVITY		
Interest paid	**–**	(186)
Repayment of borrowings	**(726)**	(181)
Repayment of lease liabilities	**(1,698)**	(1,325)
Proceeds from borrowings	**442**	–
Issue of new share	**7,469**	4,553
Payment of transaction costs attributable to issue of shares by placing	**(277)**	–
Cash from financing activity	**5,210**	2,861
Net (decrease)/increase in cash and cash equivalents	**(902)**	82
Cash and cash equivalents at beginning of the period	**2,138**	4,932
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**(206)**	(143)
Cash and cash equivalents at end of the period, represented by bank balances and cash	**1,030**	4,871

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1 GENERAL

RMH Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under Cayman Companies Law, Cap 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands on 22 March 2017. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") on 25 May 2017, the head office and the principal place of business of the Company in Singapore is at #17-01/02 Paragon (Office Tower), 290 Orchard Road, Singapore 238859, and the principal place of business of the Company in Hong Kong is at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong. The shares of the Company (the "Shares") have been listed on GEM of the Stock Exchange with effect from 13 October 2017 (the "Listing") by way of share offer (the "Share Offer"). The immediate and ultimate holding company of the Company is Brisk Success Holdings Limited ("Brisk Success") which is a company incorporated in the British Virgin Islands.

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with the applicable International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2022 are presented in Singapore dollars ("S$") which is the same as the functional currency of the Company and all values are rounded to the nearest thousands, unless otherwise stated.

3 ADOPTION OF NEW AND REVISED STANDARDS

In the current financial period, the Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022.

The adoption of these new and revised IFRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of the condensed consolidated financial statements of the Group for the six months ended 30 June 2022, certain IFRSs that are relevant to the company were issued but not effective.

The management of the Company anticipates that the adoption of these IFRSs in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

4 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this condensed consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, finance lease receivables and cash and cash equivalents). No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the sale of bearings, seals, electrical and beauty products and property investment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating performance or results of the debtor; and
- an actual or expected significant adverse change in the regulatory or economic environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are generally more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due based on factors considered such as past payment history, ongoing business dealings, settlement arrangements and financial status of the debtor, being reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In considering the 90 days past due deemed defaulted presumption, it is not expected to be significantly consequential on the amount of expected credit losses measured because of the counterbalancing interaction between the way the Group defines default and the credit losses that arise as a result of that definition of default. Differences in default definition for the Group is not as pertinent because the Group does not have to determine the significant increase in credit risk indicators given that the Group has simplified approach to impairment model.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty; or

d) having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

e) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

f) the disappearance of an active market for that financial asset because of financial difficulties.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

- The amount expected to be payable by the lessee under residual value guarantees; and

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

Revenue from provision of consultation services ("Consultation Services") relate to contracts with patients in which our performance obligations are to provide consultation to the patients. Performance obligations for consultation services are generally satisfied over a period of less than one day.

Revenue from dispensing of medical skincare products ("Prescription and Dispensing Services") is recognised at point in time when the patient has obtained the control of the medication and skincare products when the dispensing is made and the patient has substantially obtained all the remaining benefits of these products.

Revenue from provision of medical skincare treatments of surgical and non-invasive/minimally invasive in nature ("Treatment Services") generally relate to contracts with patients in which our performance obligations are to provide the required treatment services to the patients. Performance obligations for treatment services are generally satisfied over a period of less than one day.

Revenue from provision of non-surgical/non-invasive medical skincare treatments ("Aesthetic Services") generally relate to contracts with patients in which our performance obligations are to provide the required services to the patients. Considerations are generally received upfront and recognised as deferred revenue.

Revenue from the sales of healthcare products ("Trading Sales") is recognised at the point in time when the control of the goods has been transferred, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

Revenue from other services ("Other Services") generally relate to laboratory test carried out as part of treatment procedures. Performance obligation for such services are generally satisfied at point in time when the relevant test has been completed.

5 REVENUE AND SEGMENT INFORMATION

Revenue analysis

Revenue represents the net amounts received and receivable for goods sold and services rendered by the Group in normal course of business to outside customers. The following is an analysis of the Group's revenue from its major business activities:

A disaggregation of the Group's revenue are as follows:

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Revenue		
Healthcare Services:		
– Aesthetic Services	**506**	231
– Consultation Services	**1,116**	946
– Prescription and Dispensing Services	**1,793**	1,406
– Treatment Services	**1,489**	1,267
– Other Services *(Note 1)*	**862**	718
Trading Sales	**1,947**	55
	7,713	4,623
Timing of revenue recognition:		
At a point in time	**4,602**	2,179
Over time	**3,111**	2,444
	7,713	4,623

Note 1: Other Services mainly represent service income from patients in relation to laboratory tests carried out during the treatment.

Segment reporting

	Healthcare service		Trading sales		Adjustments and eliminations		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	S$'000	*S$'000*	***S$'000***	*S$'000*	***S$'000***	*S$'000*	***S$'000***	*S$'000*
Interim								
Revenue								
Revenue from external customers	**5,481**	4,568	**1,946**	55	**286**	–	**7,713**	4,623
Inter-segment revenues	**–**	93	**–**	102	**–**	(195)	**–**	–
Segment revenue	**5,481**	4,661	**1,946**	157	**286**	(195)	**7,713**	4,623
(Loss)/profit before taxation	**(3,739)**	(2,734)	**(1,215)**	(119)	**6**	62	**(4,948)**	(2,791)

6 OTHER OPERATING INCOME

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Interest income on finance lease	**277**	21
Other rental income	**84**	340
Government grant *(Note)*	**–**	59
Bank interest income	**1**	–
Exchange gain	**208**	–
Other income	**295**	37
	865	457

Note: Government grant represents primarily government subsidies in form of cash payout from Inland Revenue Authority of Singapore in relation to support business embarking on transformation efforts and encourage sharing of productivity gains with workers until year 2022. Following with the outbreak of COVID-19, the Singapore government introduced Jobs Supports Scheme ("JSS") to help enterprises retain local employees during this period of economic uncertainty. All of them are compensation for expenses or losses already incurred or for the purpose of giving immediately financial support to the Group with no future related costs. Besides, property tax rebate and rental relief for non-residential properties is announced by the government, which seeks to ease the cash flow and cost pressures of businesses affected by the COVID-19 outbreak.

7 FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Interest expense on borrowings *(Note 20)*	**79**	96
Interest expense on lease liabilities	**88**	90

8 LOSS BEFORE TAXATION

Loss before tax has been arrived at after charging:

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Audit fees (included in other operating expenses)	**178**	105
Administrative fees (included in other operating expense)	**220**	210
Net foreign currency exchange gain (included in other operating expense)	**–**	(216)
Professional and consulting fees (included in other operating expenses)	**2,100**	1,623
Employee benefits expense:		
Directors' remunerations	**1,235**	807
Other staff costs		
– salaries, bonus and other benefits	**2,849**	1,755
– contributions to retirement benefits scheme	**190**	127

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Singapore corporate income tax ("CIT")		
– Current tax	**–**	38

Singapore CIT is calculated at 17% (2021: 17%) of the estimated assessable profit for the Year of Assessment 2022, Singapore incorporated companies can enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 (2021: S$190,000) of normal chargeable income.

10 LOSS PER SHARE

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company *(S$'000)*	**(4,948)**	(2,829)
Weighted average number of ordinary shares in issue *('000)*	**1,113,231**	713,000
Loss per share (Singapore cents)	**(0.44)**	(0.40)

For the six months ended 30 June 2022 and 2021, no separated diluted loss per share information has been presented as there was no dilutive potential ordinary shares outstanding.

11 DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

12 PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired plant and equipment of approximately S$626,000 (30 June 2021: S$971,000).

13 INTANGIBLE ASSETS

The development of the customer relationship management ("CRM") software and relevant software as at 31 December 2021 sum approximately S$958,000 and additional of S$1,000 incurred during the six months ended 30 June 2022.

The purpose is to automate and manages the customer life cycle of an organization. It is usually used by the sales team, clinics team, and call center representative to maintain contact with customers and quickly respond to their needs.

14 RIGHT-OF-USE ASSETS

	Leasehold office and clinics *S$'000*
Group	
Cost	
At 31 December 2021	9,189
Additions	1,670
Write-off	–
Adjustment	110
At 30 June 2022	10,969
Accumulated depreciation	
At 31 December 2021	3,332
Additions	1,485
Write-off	–
At 30 June 2022	4,817
Carrying amount	
At 31 December 2021	5,857
At 30 June 2022	6,152

15 JOINT VENTURE

	As at 30 June 2022 *S$'000* **(Unaudited)**	As at 31 December 2021 *S$'000* (Audited)
Cost of investment in joint venture	**2,651**	2,651
Share of loss of joint venture	**(1,093)**	(1,093)
Less: Loss allowance on investment in joint venture	**(1,558)**	(1,558)
	–	–

Details of the joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group
Queen's Road Medical Company Limited	Operating aesthetic medical beauty clinic and trading medicine	Hong Kong, Central	51%

16 TRADE AND OTHER RECEIVABLES

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Trade receivables	**3,096**	2,230
Less: Loss allowance on trade receivables	**(995)**	(779)
Deposits	**6,074**	1,958
Prepayment	**2,873**	1,038
Prepayment to a director	**38**	315
Other receivables	**1,520**	1,039
Less: Loss allowance on other receivables	**(19)**	(35)
Amount owing from joint venture – non-current	**1,908**	1,898
Less: Loss allowance on amount owing from joint venture	**(1,908)**	(1,898)
	12,587	5,766

The patients of the Group usually settle their payments by cash, Network for Electronic Transfer ("NETS"), credit cards and claiming from insurance companies. For credit cards and NETS, the bank will deposit the money in the following day after the date of invoice. For payment claiming from insurance companies, the Group allowed a credit period ranging from 45 to 90 days to insurance companies and it would generally grant payment terms of 90 days if payment terms are not specified in the contracts.

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables — days past due				
	Not Past due	**91 to 120 days**	**121 to 150 days**	**>150 days**	**Total 2022**
	S$'000	***S$'000***	***S$'000***	***S$'000***	***S$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Expected credit loss rate	*	*	–	*	*
Estimated total gross carrying amount at default	**1,794**	**172**	**–**	**135**	**2,101**
Lifetime ECL	**–**	**–**	**–**	**–**	**–**
					2,101

* Denotes less than 1% and not significant.

	Trade receivables — days past due				
	Not Past due	91 to 120 days	121 to 150 days	>150 days	2021
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Expected credit loss rate	*	*	–	*	*
Estimated total gross carrying amount at default	634	124	–	1,323	2,081
Lifetime ECL	–	–	–	–	–
					2,081

* Denotes less than 1% and not significant.

The following is an ageing analysis of trade receivables of the Group presented based on invoice dates for the receivables from the customers who settle payments by claiming from insurance companies at the end of each reporting period:

	As at 30 June 2022 S$'000 (Unaudited)	As at 31 December 2021 S$'000 (Audited)
0–30 days	**270**	305
31–60 days	**295**	262
61–90 days	**252**	264
Over 90 days	**1,284**	620
	2,101	1,451

17 FINANCIAL ASSET AND EQUITY INSTRUMENTS AT FVTPL

	30 June 2022 S$'000	31 December 2021 S$'000
Financial assets mandatorily at FVTPL:		
Listed securities held for trading:		
– Equity securities listed in Hong Kong	**1,765**	616
	1,765	616
Analysed for reporting purpose as:		
Current assets	**1,765**	616
Non-current assets	**–**	–
	1,765	616

The Group has recorded a loss on fair value changes of held-for-trading investments for the six months ended 30 June 2022 of approximately S$1.208 million (2021: Nil).

The fair value of measurement of the Group's listed securities held-for-trading investments were categorised into Level 1 and fair value have been determined by reference to the quoted market bid prices available on the relevant exchanges.

18 DEFERRED REVENUE

Deferred revenue represents upfront receipt from customers.

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
At the beginning of the period	**343**	197
Receipt from customers	**639**	666
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**(162)**	(137)
Revenue recognised during the period that was related to receipt from customers in the same period	**(324)**	(383)
At the end of the period	**496**	343

There were no significant changes in the nature of deferred revenue balances during the reporting period.

19 TRADE AND OTHER PAYABLES

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Trade payables	**1,384**	592
Accrued staff costs	**175**	632
Accrued legal and professional fees	**–**	1,068
Accrued director fees	**–**	18
Accrued operating expenses	**2,432**	52
Deferred revenue	**496**	343
Amount due to a director	**–**	6
Other tax payables	**154**	125
Other payables	**3,557**	423
	8,198	3,259

The average credit period on purchase of goods is 30 days. The following is an ageing analysis of trade payables of the Group presented based on the invoice date at the end of each reporting period:

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
0–30 days	**202**	233
31–60 days	**296**	273
61–90 days	**546**	–
Over 90 days	**340**	86
	1,384	592

20 LEASE LIABILITIES

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Amounts due for settlement within 12 months (shown under current liabilities)	**2,753**	2,544
Amounts due for settlement after 12 months	**3,359**	3,523
	6,112	6,067

21 BORROWINGS

	As at 30 June 2022	As at 31 December 2021
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Bank Loan	**5,415**	4,992
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(2,411)**	(1,309)
	3,004	3,683

The Group has the following bank loans:

1. Loan of S$3 million with repayment over 60 monthly instalments comprising principal and interest and commenced on 22 June 2020. The loan is secured by a corporate guarantee from the Company. The loan carries interest at 3% per annum.

2. Loan of S$2 million with repayment over 60 monthly instalments comprising principal and interest and commenced on 12 October 2020. The loan is secured by a corporate guarantee from the Company and personal guarantee from a director of the Company. The loan carries interest at 3% per annum.

3. Loan of S$500,000 with repayment over 60 monthly instalments comprising principal and interest commenced on 23 October 2020. The loan is secured by a corporate guarantee from the Company and personal guarantee from a director of the Company. The loan carries interest at 4.5% per annum.

4. Loan of S$500,000 with repayment over 60 monthly instalments comprising principal and interest commenced on 2 November 2020. The loan is secured by a corporate guarantee from the Company and personal guarantee from a director of the Company. The loan carries interest at 4.5% per annum.

The weighted average interest rates paid during the year were as follows:

	2022	2021
	%	%
Bank Loan	**3.00-4.50**	3.00-4.50

22 SHARE CAPITAL

Details of the share capital are disclosed as follows:

	Number of shares	Par value	Share capital
		HK$	*HK$'000*
Authorized share capital of the Company:			
At 30 June 2022 and 31 December 2021	10,000,000,000	0.01	100,000

	Number of shares	Share capital
		S$'000
Issued and fully paid shares of the Company:		
At 31 December 2021	864,000,000	1,493
Issue of new shares	432,000,000	747
At 30 June 2022	1,296,000,000	2,240

23 RELATED PARTY TRANSACTIONS

The remuneration of executive directors of the Company and other members of key management personnel during the period was as follows:

Compensation of key management personnel

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Salaries, performance bonus and other benefits	**1,212**	773
Contributions to retirement benefits scheme	**23**	14
	1,235	787

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We see encouraging signs in Second Quarter 2022 that we are emerging from what's had been an unprecedented challenging business operation environment associated with the COVID-19 Pandemic in year 2020. The revenue of the Group for the six months ended 30 June 2022 was approximately S$7,713,000, increased by approximately S$3,090,000 or 66.8%, as compared with the revenue of approximately S$4,623,000 the six months ended 30 June 2021.

With further easing of government anti-COVID-19 measures and roll out of mass vaccination in both Hong Kong and Singapore, we expect continued improvement in revenue at a faster rate from clinics in both Singapore and Hong Kong. We expect the recovery to be slower at our Hong Kong operation due to the high dependence of private healthcare on medical tourism from mainland China which hasn't resumed due to the continued closure of border between Hong Kong and mainland China.

The Group has set up a Mohs Micrographic Surgery Centre and a Mole Mapping Centre at Orchard Clinic with 3 Mohs Dermato-Surgeon, as well as a new dermatology clinic at Gleneagles Medical Centre in Singapore as of 30 June 2022. We have a total 8 dermatologists, represents the largest private dermatology group in Singapore with 5 clinics at multiple locations in Singapore.

On the other hand, due to the significant changes in the market and business environment in recent years, the future prospects may be quite different from the original expectations, the Board believes that it is necessary to re-examine its wholly-owned subsidiary, RMH Imaging Limited, so the Board has decided to suspend its business development. RMH Imaging Limited is principally engaged in the business of clinic and medical imaging.

The unaudited revenue of DS Regenerative Medicine Limited ("DS Regenerative Medicine"), a wholly-owned subsidiary of the Company, amounted to approximately S$1,856,000 for the six months ended 30 June 2022, representing an increase of approximately S$1,823,000 or 5,524.2% as compared with the revenue of approximately S$33,000 for the six months ended 30 June 2021. The unaudited loss DS Regenerative Medicine was approximately S$1,194,000 for the six months ended 30 June 2022, representing an increase of approximately S$140,000 or 13.3% as compared with the losses of approximately S$1,054,000 for the six months ended 30 June 2021. The loss was mainly attributable to (i) the new business just started; (ii) the increase in cost of goods sold; and (iii) the increase in operating costs.

The Group's investments in the portfolio of securities investment instruments, which are accounted for on a net fair value basis, represent an unrealised net fair value impairment of approximately S$1.21 million for the six months ended 30 June 2022, representing approximately 24.4% of the loss of the Group of approximately S$4.95 million for the six months ended 30 June 2022, when compared to the opening fair value and new resources invested on a consolidated basis. The relatively large impairment of the portfolio was mainly due to the systematic impact of global economic fluctuations and the overall weakness of the local securities market in Hong Kong, including the global economic turmoil brought about by negative factors such as the outbreak of the Russian-Ukraine war, the continued interest rate hikes by the Federal Reserve and the deteriorating relationship between the United States and China, as well as the repeated impact of the local COVID-19 pandemic, which resulted in a strong investor wait-and-see atmosphere, low investment appetite and reduced investment enthusiasm. However, the management of the Company believes that, due to the limited amount used in the Group's investments in securities and the one-off unrealized decline in fair value, there will be no continuous impact on the principal businesses and long-term operations of the Group. Management will continue to monitor the performance of the investment portfolio and will reduce or exit from the securities investment business when appropriate.

BUSINESS OUTLOOK

We have emerged from the worst of business operating environment seen in decades during the year 2020 with a reasonably healthy cash reserve and intact business operation. With easing of the government anti-COVID-19 measures and the rapid roll out of mass vaccination on going currently, we are cautiously optimistic that the group will rebound strongly to profitability in year 2022.

FINANCIAL REVIEW

Revenue

The Group's overall revenue amounted to approximately S$7,713,000 for the six months ended 30 June 2022, representing an increase of approximately S$3,090,000 or 66.8% as compared with the revenue of approximately S$4,623,000 for the six months ended 30 June 2021.

The Group provides an all-round treatment solution that is tailored to the patients' individual needs in the field of dermatology. These are achieved through the provision of personalised services, including Aesthetic Services, Consultation Services, Prescription and Dispensing Services, Treatment Services and Trading sales. The following table sets forth a breakdown of our revenue for the periods indicated:

	Six months ended 30 June			
	2022		2021	
	S$'000	*%*	*S$'000*	*%*
	(Unaudited)		(Unaudited)	
Revenue				
Healthcare Services:				
Aesthetic Services	**506**	**6.6**	231	5.0
Consultation Services	**1,116**	**14.5**	946	20.5
Prescription and Dispensing Services	**1,793**	**23.2**	1,406	30.4
Treatment Services	**1,489**	**19.3**	1,267	27.4
Other Services	**862**	**11.2**	718	15.5
Trading Sales	**1,947**	**25.2**	55	1.2
	7,713	**100.0**	4,623	100.0

Revenue generated from Aesthetic Services was S$506,000 for the six months ended 30 June 2022. With the easing of government anti-COVID-19 measures and new joining of dermatologists, we were able to increase capacity of aesthetic services rendered.

Revenue generated from Consultation Services increased by approximately S$170,000 from approximately S$946,000 for the six months ended 30 June 2021 to approximately S$1,116,000 for the six months ended 30 June 2022.

Revenue generated from Prescription and Dispensing Services increased by approximately S$387,000 from approximately S$1,406,000 for the six months ended 30 June 2021 to approximately S$1,793,000 for the six months ended 30 June 2022. The increase is in line with the increase in patient visits from Consultation Services during the same period.

Revenue generated from Treatment Services increased by approximately S$222,000 from approximately S$1,267,000 for the six months ended 30 June 2021 to approximately S$1,489,000 for the six months ended 30 June 2022, which was predominantly increase from excision, MOHS light and cryosurgery. The increase attributable with additional capacity from 3 Mohs Dermatology Surgeon on board to service at Mohs Micrographic Surgery Centre and a Mole Mapping Centre.

Revenue generated from Other Services also increased by approximately S$144,000 from approximately S$718,000 for the six months ended 30 June 2021 to approximately S$862,000 for the six months ended 30 June 2022. Revenue from Other Services mainly represents service income from patient in relation to laboratory test and medical examination.

Revenue generated from Trading Sales mainly represents income from supplement products based on stem cells and other medical products. Our Trading Sales contribute approximately S$1,947,000 due to the continuously shutdown of international travel and closure of border between Hong Kong and China resulted on collapse of medical tourism since year 2020.

Consumables and medical supplies used

Our consumables and medical supplies used amounted to approximately S$2,597,000 and S$722,000 for the six months ended 30 June 2022 and 2021 respectively. The increase was in line with the increase in revenue generated from Prescription and Dispensing Services. These comprised costs of treatment consumables, skincare products and medications were necessarily for the provision of our services at our clinics.

Our cost of consumables and medical supplies was predominantly driven by the amounts of medication and consumables we used and our procurement costs. The amount of medication and consumables we used was primarily driven by the number of patient visits, the number and complexity of treatments and other dermatological and surgical services provided.

Other operating income

Other operating income for the six months ended 30 June 2022 and 2021 consisted of interest income on finance lease, government grant, other rental income and other income.

Other direct costs

Other direct costs were mainly attributable to laboratory charges, which were fees charged by laboratories engaged by us for providing blood, urine and other testing services for our patients.

We generally outsource medical tests such as blood testing, urine testing, and other testing services where we believe that there is insufficient demand to warrant the necessary investment for the development of the expertise and the in-house infrastructure. Therefore, we have subcontracted such testing services to external service providers and incurred laboratory charges for the provision of such testing services.

Employee benefits expense

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Directors' remunerations	**1,235**	807
Other staff costs:		
– Salaries, bonus and other benefits	**2,849**	1,755
– Contributions to retirement benefits scheme	**190**	127
Employee benefits expense	**4,274**	2,689

Employee benefits expense relate to Directors' remuneration, salaries, bonus and other benefits for other professional staff such as trained therapists, clinic executives and other administrative staff, as well as contributions to retirement benefits scheme. The increase was largely due to newly appointed 2 directors in subsidiaries of the Company, recruited of 5 new dermatologist under salary model and increase of the number of employees.

Our total staff count for employees (including part time staff), excluding our directors, as at the six months end of the respective financial period is as follow:

	Six months ended 30 June	
	2022	2021
Total staff count	**75**	59

Depreciation of plant and equipment

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Our depreciation expenses primarily comprised:

(a) professional equipment, mainly our medical equipment such as dermatological laser equipment used at our clinics;

(b) computer and office equipment at our various premises used for our operations; and

(c) leasehold improvements in relation to the leased premises for our operations.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period. Our medical equipment and office equipment are generally depreciated over three to five years, which we considered as reasonable for the useful lives for assets of such nature.

Depreciation of right-of-use assets

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The increase is mainly attributed by the adoption of new accounting standards.

Other operating expenses

The Group's other operating expenses comprised rental and property upkeep, administrative fees, professional and consulting fees, net foreign currency exchange loss and other expenses.

The other operating expenses increased by approximately S$1,820,000 or 71.0% from approximately S$2,562,000 for the six months ended 30 June 2021 to approximately S$4,382,000 for the six months ended 30 June 2022.

	Six months ended 30 June	
	2022	2021
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Rental and property upkeep	**196**	44
Administrative fees	**221**	210
Professional and consulting fees	**2,100**	1,623
Audit fees	**178**	105
Net foreign currency exchange gain	**–**	(216)
Credit Card & Nets Charges	**85**	63
Government Rate	**50**	54
Research fees	**2**	45
Transport Expenses	**47**	57
Management Service Fees	**22**	–
Marketing expenses	**36**	–
Loss on trading of securities	**1,208**	–
Other expenses	**237**	577
Other operating expenses	**4,382**	2,562

The increase in professional and consulting fees of approximately S$477,000 was related to professional fee payable to medical practitioners.

The other expenses comprised primarily management service fee, software support, loss on derecognised of finance lease receivables and marketing expenses to create awareness.

Finance costs

The finance costs were attributable to interest expenses on term loan and lease liabilities under IFRS 16.

Income tax expense

Income tax expense was S$0 for the six months ended 30 June 2022 and approximately S$38,000 for the six months ended 30 June 2021. The decrease was mainly attributable to the increase in loss before taxation of approximately S$2,157,000 from approximately S$2,791,000 for the six months ended 30 June 2021 to approximately S$4,948,000 for the six months ended 30 June 2022.

Loss for the period

Due to the combined effect of the aforesaid factors, we recorded the loss of approximately S$4,948,000 for the six months ended 30 June 2022, representing an increase of approximately S$2,119,000 or 74.9% as compared with the loss of approximately S$2,829,000 for the six months ended 30 June 2021.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group only comprises ordinary shares.

As at 30 June 2022, the total equity of the Group was approximately S$6,713,000 (31 December 2021: approximately S$4,567,000). The Group generally financed its operation with internally generated cash flows, bank loans and issuance of new shares. The Group had bank balances and cash of approximately S$1,030,000 as at 30 June 2022 (31 December 2021: approximately S$2,138,000). As at 30 June 2022, the Group had net current assets of approximately S$4,257,000 (31 December 2021: approximately S$2,777,000).

Gearing ratio of the Group as at 30 June 2022 was approximately 80.66% (31 December 2021: 109.31%) calculated based on total debt divided by total equity as at 30 June 2022.

Net cash used in operating activities for the six months ended 30 June 2022 was approximately S$3,706,000 (30 June 2021: net cash used in operating activities approximately S$1,996,000).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2022, the Group did not have any significant investment, material acquisitions nor disposal of subsidiaries and affiliated companies.

FOREIGN EXCHANGE EXPOSURE

The Group operate mainly in Singapore and Hong Kong with most of the transactions settled in Singapore dollars and Hong Kong dollars respectively. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of our Group denominated in currencies other than the respective functional currencies of our operating entities. We did not hedge against any fluctuation in foreign currency during the historical record period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group will continue to diversify our services and products offering to fulfill the medical, health, aesthetic wellness needs of individuals via mergers and acquisitions. We will continue proactively explore acquisition targets and targeting partnership opportunities for further collaboration in Hong Kong, Greater Bay Area, Singapore and Association of Southeast Asian Nations (ASEAN).

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had a total of 75 employees (including part time staff and excluding our doctors) (31 December 2021: 68). Staff costs, including Directors' remuneration, of the Group were approximately S$4,274,000 for the six months ended 30 June 2022 (30 June 2021: approximately S$2,689,000). Remuneration is determined with reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees of the Group are provided with relevant in-house and/or external training from time to time. In addition to a basic salary, year-end discretionary bonuses are offered to employees who perform outstandingly to attract and retain eligible employees to contribute to the Group.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2022 and 31 December 2021, there were no charges on the Group's assets.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING AND FUND RAISING ACTIVITIES

The Company completed a placing of new Shares under general mandate on 18 October 2021 (the "Placing") and a rights issue on 21 March 2022 (the "Rights Issue").

The net proceeds (the "Net Proceeds") from the Listing, the Placing and the Rights Issue, after deducting the underwriting fees and commissions and other relevant fees and expenses, amounted to approximately HK$44.7 million, HK$19.1 million and HK$41.0 million, respectively.

Up to 30 June 2022, the Group had used the Net Proceeds as follows:

Intended uses of the Net Proceeds	Planned use of the Net Proceeds	Utilised Net Proceeds up to 31 December 2021	Utilised Net Proceeds up to 30 June 2022	Unutilised Net Proceeds up to 30 June 2022	*Note*
Strategically expand and strengthen our network of clinics in Singapore	3.2	3.2	0	0	
Enhance the quality and variety of our Services at our existing Clinics and establish new medical aesthetic clinics	13.6	13.6	0	0	
Purchase additional new devices and broaden the variety of treatments and products offered	9.6	4.3	5.3	0	
Improve our information technology infrastructure and systems	1.1	1.1	0	0	
General working capital	27.5	15.2	11.15	1.15	*1*
Strategically expand and strengthen our network of clinics outside Singapore	5.0	5.0	0	0	
Strategically invest in MedTech and digital healthcare to create synergy to our current businesses	1.8	1.8	0	0	
Development of innovative products to create a new business that have synergy with our current business	0.9	0.9	0	0	
Purchase of equipment and products in aesthetic, regenerative and imaging medicine	7.7	0.9	6.8	0	
Potential investments	5.7	5.0	0.7	0	
Potential development plan of the i) aesthetic business in the PRC; ii) medical imaging business; and iii) dental services related business	16.4	–	16.4	0	*2*
Repayment of part of the outstanding debt of the Group	8.2	–	2.45	5.75	
Purchase of equipment and products in aesthetic	4.1	–	4.1	0	
Total	104.8	51	46.9	6.9	

Notes:

1. HK$9.26 million out of HK$11.15 million was applied to short-term investments temporarily.

2. HK$16.4 million was applied to general working capital of the i) aesthetic business in the PRC; ii) medical imaging business; and iii) dental services related business.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which, once the Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by our Directors to be notified to our Company and the Stock Exchange, were as follows:

Name of Director	Capacity/ nature of interest	Number of shares interested	Percentage of interest in our Company
Dr. Loh Teck Hiong ("Dr. Loh")	Interest in controlled corporation *(Note)*	210,024,000 (Long position)	16.21%

Notes: The 210,024,000 shares are held by Brisk Success Holdings Limited ("Brisk Success"). Dr. Loh holds 70% equity interests in Brisk Success and under the SFO, Dr. Loh is deemed to be interested in the 210,024,000 Shares held by Brisk Success.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2022, the following persons, not being a Director or chief executive of our Company, had an interest or short position in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO (the "Substantial Shareholders' Register"), or, who is interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Capacity/ nature of interest	Number of shares interested	Percentage of interest in our Company
Brisk Success	Beneficial owner	210,024,000 (Long position)	16.21%
Ms. Fung Yuen Yee	Interest of spouse *(Note 1)*	210,024,000 (Long position)	16.21%
Mr. Li Mingcheng	Interest in controlled corporation *(Note 2)*	132,968,000 (Long position)	10.26%
	Beneficiary owner *(Note 2)*	696,000 (Long position)	0.05%
HK MZ Health Investment Management Group Limited	Beneficiary owner *(Note 2)*	132,968,000 (Long position)	10.26%

Note:

(1) Ms. Fung Yuen Yee, being the spouse of Dr. Loh, is deemed to be interested in all the Shares in which Dr. Loh is interested pursuant to the SFO.

(2) The entire issued shares of HK MZ Health Investment Management Group Limited is beneficially owned by Mr. Li Mingcheng. Accordingly, Mr. Li Mingcheng is deemed to be interested in 132,968,000 Shares held by HK MZ Health Investment Management Group Limited by virtue of the SFO.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares or underlying Shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. The board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests. Therefore, the Board has reviewed and will continue to review and improve the Company's corporate governance practices from time to time.

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. The Company had complied with all the applicable code provisions of the CG Code during six months ended 30 June 2022.

Save as disclosed above, the Company had complied with all the applicable code provisions of the CG Code during the six months ended 30 June 2022.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 22 September 2017. During the period from 22 September 2017 to the date of this announcement, no share option were granted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2022 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all the Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2022.

COMPLIANCE OF NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus pursuant to the non-competition undertakings set out in the deed of non-competition dated 22 September 2017, Brisk Success and Dr. Loh, collectively the then controlling Shareholders upon Listing, have undertaken to the Company (for itself and on behalf of its subsidiaries) that, amongst other things, each of them is not or will not, and will procure each of their respective close associates not to, directly or indirectly, carry on, participate in, be engaged, interested directly or indirectly, either for their own account or in conjunction with or on behalf of or for any other person in any business in competition with or similar to or is likely to be in competition with the business of the Group upon the Listing of the Company. Particulars of which are set out in the section headed "Relationship with Controlling Shareholders — Independence from Controlling Shareholders — Non-Competition Undertaking" of the Prospectus.

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the Controlling Shareholders had complied with their undertakings given under the deed of non-competition for the six months ended 30 June 2022.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022.

AUDIT COMMITTEE

The Group established the Audit Committee on 22 September 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code. As at the date of this announcement, the audit committee consists of three independent non-executive Directors, namely Ms. Wu Xiaoxia, Mr. Yang Zhangxin and Mr. Loke Wai Ming. Ms. Wu Xiaoxia, an independent non-executive Director with the appropriate professional qualifications as required by the GEM Listing Rules, serves as the chairlady of the Audit Committee.

The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting process and internal control system of the Company, make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and review the Company's financial information.

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2022 and has provided advice and comments thereon.

By Order of the Board
RMH Holdings Limited
Dr. Loh Teck Hiong
Chairman

Hong Kong, 11 August 2022

As at the date of this announcement, the executive Directors are Dr. Loh Teck Hiong and Mr. He Weiqing; and the independent non-executive Directors are Mr. Yang Zhangxin, Mr. Loke Wai Ming and Ms. Wu Xiaoxia.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company's website at https://www.rmhholdings.com.sg.