Annual Report
2020

RMH HOLDINGS LIMITED
德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8437

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This report, 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 report 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 report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Loh Teck Hiong
Mr. Liu Yang
Dr. Seow Swee How

Independent Non-Executive Directors

Mr. Cheung Kiu Cho Vincent
Mr. Ong Kian Guan
Mr. Yang Zhangxin

BOARD COMMITTEES

Audit Committee

Mr. Ong Kian Guan *(Chairman)*
Mr. Cheung Kiu Cho Vincent
Mr. Yang Zhangxin

Remuneration Committee

Mr. Yang Zhangxin *(Chairman)*
Mr. Ong Kian Guan
Dr. Seow Swee How

Nomination committee

Dr. Loh Teck Hiong *(Chairman)*
Mr. Cheung Kiu Cho Vincent
Mr. Ong Kian Guan

COMPLIANCE OFFICER

Dr. Loh Teck Hiong

COMPANY SECRETARY

Mr. Man Yun Wah

AUTHORISED REPRESENTATIVES

Dr. Loh Teck Hiong
Mr. Man Yun Wah

AUDITOR

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited
Ground Floor, The Center
99 Queen's Road Central
Central, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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290 Orchard Road
Singapore 238859

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Unit 912, 9/F, Two Harbourfront
22 Tak Fung Street, Hunghom
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Hong Kong

COMPANY WEBSITE

https://rmhholdings.com.sg

GEM STOCK CODE

8437

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of Directors, I would like to present to you the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020.

REVIEW

We remain the leading specialist dermatological and surgical practice and solution provider in Singapore by providing comprehensive, quality specialty care services for a full range of dermatological and aesthetic service. We continue to be the leading centre for skin cancer management in particular Mohs Micrographic Surgery in Singapore and South East Asia. We increased the pace of our expansion in aesthetic medicine with the opening of a new clinic at Paragon focusing on laser and aesthetic dermatology.

Since our listing in 2017, we have targeted the tremendous opportunity and potential for dermatology and specialty care at Big Bay Area, China as an increasingly important source for our future growth. To that effect, we entered into a joint venture in year 2020 with a reputable local Hong Kong partner in setting up a multi-specialist Centre at Central focusing on dermatology, aesthetic medicine, health screening and obstetric & gynecological services. We also started a Regenerative Medicine Centre at Kowloon Bay focusing on development and sale of skin care products and anti-aging products to clients from Big Bay Area, China.

Due to the unprecedented COVID-19 Pandemic with stringent government anti-COVID-19 measures and lockdown at both Singapore and Hong Kong, combining with the collapse of medical tourism due to the shut down of international travel and closure of the HK-China border throughout the year 2020, we have sustained heavy losses for the year.

Group recorded a loss of approximately S$9,272,000 for the year ended 31 December 2020, representing a decrease of approximately S$9,430,000 as compared to a profit of approximately S$158,000 for the year ended 31 December 2019. This was mainly pertaining to costs rising from employee benefits expenses, impairment losses, depreciation of right-of use assets as well as other professional fees incurred by the Group for the year ended 31 December 2020.

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 world-wide on going currently, we are cautiously optimistic that the group will rebound strongly to profitability in year 2021.

CHAIRMAN'S STATEMENT

APPRECIATION

On behalf of the Board, I wish to take this opportunity to express my sincere gratitude to all of our shareholders, customers and business partners for their continuous support for what has been a most difficult year. I would also like to express my heartfelt appreciation to our management and professional colleagues for their cohesive teamwork and valuable contribution to the Group.

Dr. Loh Teck Hiong
Chairman and Executive Director

Hong Kong, 25 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is medical, dermatological and aesthetic service and products at multiple centres in Singapore and Hong Kong. We have five dermatology and surgery clinics in Singapore, one Aesthetic & Laser Centre, one Multi-Specialists Centre and one Regenerative Medicine Centre in Hong Kong

The group provides services to patients for medical, surgical and laser treatment of full range of dermatology, hair and nail disorders. The group has particular strength and expertise in management of skin cancers from state of the art Mole Mapping Scanning for skin cancer surveillance to highly specialized Mohs Micrographic Surgery.

The group also provides aesthetic services and products in Aesthetic medicine through our clinics in Singapore and Aesthetic & Laser Centre in Hong Kong. The group also provides medical services at our Multi-specialist Centre, and products in the form of regenerative skin care products, and anti-aging oral supplement products at Regenerative Medicine Centre in Hong Kong.

The outbreak of COVID-19 Pandemic in Singapore, Hong Kong and worldwide throughout 2020 associated with stringent government measures and lockdown has adversely impacted the clinics operation at both Singapore and Hong Kong. The shutdown of international travel and closure of border between Hong Kong and China resulted in collapse of medical tourism which previously constituted a significant part of our revenue of our clinics.

The revenue of the Group increased slightly by approximately S$584,000 or 8.1%, to approximately S$7,809,000, when compared to the year ended 31 December 2020. The revenue of Aesthetic Service, Consultation Service, Prescription and Dispensing Service, Treatment Service, Trading Sale and other service amounted to S$220,000, S$1,328,000, S$1,949,000, S$1,835,000, S$1,785,000 and S$692,000 which accounted for approximately 2.8%, 17.0%, 25.0%, 23.5%, 22.9% and 8.8% of the total revenue of the Group for the year ended 31 December 2020 respectively.

BUSINESS OUTLOOK

While the business operating environment in Singapore and Hong Kong remains unfavourable due to the ongoing government measures in controlling the COVID-19 Pandemic, we are cautiously optimistic that the worse is over and we will return to profitability for the year ahead.

With further easing of government anti-COVID-19 measures and rapid roll out of mass vaccination in both Hong Kong and Singapore, we expect the Singapore business will continue to resume steady growth with the opening of new clinic at Gleneagles Medical Centre and recruitment of four new dermatologists. We also expect our new business in Hong Kong at both Aesthetic & Laser Centre and Regenerative Medicine Centre to start contributing significant revenue and become the new engine of growth for the Group when the border between Hong Kong & China reopens later this year.

FINANCIAL REVIEW

Revenue

The Group's overall revenue amounted to approximately S$7,809,000 for the year ended 31 December 2020, representing an increase of approximately S$584,000 or 8.1% as compared with the revenue of S$7,225,000 for the year ended 31 December 2019.

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, Other Services and Trading Sales. The increase in revenue for the year ended 31 December 2020 was mainly attributable to increase in trading sales in relation to launching of DS Skin Clinic ALL-DAY HAND SANITISER, disposal medical mask and supplement products based on stem cells. The following table sets forth a breakdown of our revenue for the periods indicated:

	2020	2019
	S$'000	S$'000
Types of services:		
Aesthetic Services	**220**	124
Consultation Services	**1,328**	1,843
Prescription and Dispensing Services	**1,949**	2,110
Treatment Services	**1,835**	2,499
Other services	**692**	649
Trading Sales	**1,785**	–
	7,809	7,225

Revenue generated from Aesthetic services increased by S$96,000 from S$124,000 for the year ended 31 December 2019 to S$220,000 for the year ended 31 December 2019.

Revenue generated from Consultation Services decreased by S$515,000 from S$1,843,000 for the year ended 31 December 2019 to S$1,328,000 for the year ended 31 December in 2020. With an decrease in the number of patient visits for Consultations Services from 18,622 to 17,074 for the year ended 31 December 2020, the Group recorded a 8.9% decline in the total number of patient visits for the year ended 31 December 2020.

Revenue generated from Prescription and Dispensing Services also decreased by S$161,000 from S$2,110,000 for the year ended 31 December 2019 to S$1,949,000 for the year ended 31 December 2020. The decreased is in line with the decreased in patient visits from Consultation Services in the same period.

Revenue generated from Treatment Services decreased by S$664,000 from S$2,499,000 for the year ended 31 December 2019 to S$1,835,000 for the year ended 31 December 2020 respectively. Revenue from Treatment Services are predominantly decreased from Excision, Cryosurgery and skin treatment.

Revenue generated from other services also increased by S$43,000 from S$649,000 for the year ended 31 December 2019 to S$692,000 for the year ended 31 December 2020. Revenue from other services are mainly represent service income from patient in relation to laboratory test and medical examination.

Revenue generated from Trading Sales mainly represent income from the DS skin clinic ALL-DAY HAND SANITISER, and disposable medical mask, which incorporated unique feature of immediate and sustained protection from the COVID-19 virus, supplement products based on stem cells and other medical products.

Other operating income

Other operating income for the years ended 31 December 2020 and 2019 consisted of interest income on finance lease, gain on disposal of right-of-use assets, license fee, government grant and other operating lease income.

Consumables and medical supplies used

Our consumables and medical supplies used amounted to S$1,140,000 and S$2,467,000 for the years ended 31 December in 2019 and 2020, representing 32% and 16% of the total revenue respectively.

Cost of consumables and medical supplies used increased by approximately S$1,327,000, or 116%, from approximately S$1,140,000 for the year ended 31 December 2019 to approximately S$2,467,000 for the year ended 31 December 2020. The increase was primarily attributable to the increase in manufacture DS skin clinic ALL-DAY HAND SANITISER and disposable medical mask.

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

Other direct costs

Other direct costs are mainly attributable to laboratory charges, which are 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. The amount remained immaterial during the years ended 31 December 2020 and 2019.

Employee benefits expense

	2020 **S$'000**	2019 S$'000
Director's remunerations		
— Singapore	**1,736**	946
— Hong Kong	**248**	–
Other staff costs:		
— Salaries, bonus and other benefits	**1,737**	1,223
— Contributions to retirement benefits scheme	**163**	153
Employee benefits expense	**3,884**	2,322

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, contributions to retirement benefits scheme. The increase was largely due to additional staff headcounts of aesthetic clinic for Hong Kong clinics.

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

	2020	2019
Total staff count	**44**	30

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. The amount remained immaterial during the years ended 31 December 2020 and 2019.

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.

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 for the year ended 31 December 2020 increased by approximately S$2,236,000 or 108.2% from approximately S$2,066,000 for the year ended 31 December 2019 to approximately S$4,302,000 for the year ended 31 December 2020.

	2020 **S$'000**	2019 S$'000
Rental and property upkeep	**17**	8
Administrative fees	**279**	296
Professional and consulting fees	**2,604**	1,047
Audit fees	**164**	152
Net foreign currency exchange loss	**454**	204
Credit card & nets charges	**82**	96
Government rate	**78**	–
Research fees	**92**	–
Travelling expenses	**113**	46
Other expenses	**419**	217
Other operating expenses	**4,302**	2,066

The increase in professional and consulting fees for approximately S$2,413,000 was related to the professional fee payable to medical practitioners.

The increase in net foreign currency exchange loss was mainly attributable to the weakening of Hong Kong dollars against Singapore dollars.

The other expenses comprised primarily management service fee, software support, marketing expenses and other miscellaneous expenses. The increase of other expenses was mainly due to travelling expenses incurred on business trips and non-recurring marketing and advertising expenses to create market awareness for the new aesthetic clinic.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The finance costs were attributable to interest expenses on term loan.

Finance costs right-of-use assets

The finance costs were attributable to interest expense on lease liabilities under IFRS16.

Income tax expense

Income tax expense was approximately S$75,000 for the year ended 31 December 2020 and approximately S$221,000 for the year ended 31 December 2019. The decrease was mainly attributable to the decrease in profit before taxation.

(Loss)/Profit for the year

Due to the combined effect of the aforesaid factors, we recorded the loss of approximately S$9,272,000 for the year ended 31 December 2020, representing a decrease of approximately S$9,430,000 or 5968% as compared with the profit of approximately S$158,000 for the year ended 31 December 2019.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (31 December 2019: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group only comprises ordinary shares.

As at 31 December 2020, the total equity of the Group was approximately S$5,531,000 (2019: approximately S$14,744,000). The Group generally financed its operation with internally generated cash flows. The Group had bank balances and cash of approximately S$4,932,000 as at 31 December 2020 (2019: approximately S$12,651,000). As at 31 December 2020, the Group had net current assets of approximately S$1,254,000 (2019: approximately S$10,614,000).

Gearing ratio of the Group as at 31 December 2020 was approximately 102.57% (31 December 2019: No gearing ratio) calculated based on total debt divided by total equity as at the end of year. As at 31 December 2020, the Group had four secured bank loan amounting to approximately S$6,000,000.

Net cash used in operating activities for the year ended 31 December 2020 was approximately S$4,515,000 (2019: net cash generated from operations approximately S$330,000).

As at 31 December 2020, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$5.53 million. The share capital of the Group only comprises ordinary shares. The Shares were listed on GEM of the Stock Exchange on the listing date (the "Listing Date"). There has been no change in the capital structure of the Group since then.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2020, the Group did not have any significant investment, material acquisitions nor disposal of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed "History, Reorganisation and Development — Reorganisation" in the Prospectus.

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

Save as disclosed above and in the Prospectus, the Group does not have other plans for material investments and capital assets.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, our Group had a total of 44 employees (including part time staffs), excluding our doctors (2019: 30). Staff costs, including Directors' remuneration, of our Group were approximately S$3,884,000 for the year ended 31 December 2020 (2019: approximately S$2,322,000). Remuneration is determined with reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees are provided with relevant inhouse and/or external training from time to time. In addition to a basic salary, year-end discretionary bonuses are offered to employees who performed outstandingly to attract and retain eligible employees to contribute to our Group.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2020 and 2019, there were no charges on the Group's assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group.

BUSINESS RISK

The Group business is dependent on our ability to attract and retain skilled and competent professional staff. Our ability to provide our services is reliant on the services provided by these professionals. The ability to attract and retain them is dependent on several factors such as our continued reputation, financial remuneration and job satisfaction. As we engage in a service related industry, in the event that we are unable to find suitable and timely replacements should a significant number of our skilled professional staff resign, our financial position and results, business operations as well as future growth and prospects may be adversely affected. The number of doctors with necessary experience and qualifications is limited in the market and we are competing for suitable candidates with other dermatological and surgical service providers. We cannot assure that we will be able to attract and retain sufficient doctors with similar expertise, experience or network to enter into or maintain employment agreements with our Group to keep pace with our growth while maintaining consistent service quality across our clinics. Our business, financial condition and results of operations could accordingly be materially and adversely affected.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY RISK

The dermatological services care industry is sensitive to negative media reports or allegations, which may affect consumer confidence, reputation and market perception of the industry. The industry is also subject to rapidly changing market trends and intense competition amongst other market players. This may materially and adversely affect the Group's business performance. To maintain competitiveness, our doctors seek to keep abreast the latest and most suitable treatment products and technology available.

REPUTATION RISK

The Group's success depends to a significant extent on the recognition of our brand and reputation in the industry as a reliable dermatological service provider. Any litigation, claims or complaints from our customers in relation to the quality of services or products provided by our Clinics may adversely affect the reputation and image of our Group, and may in turn, materially and adversely affect the demand for our Services.

REGULATORY RISK

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the year ended 31 December 2020 and up to the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the period from the Listing Date to 31 December 2020 and up to the date of this report.

KEY STAKEHOLDER RISK

The Group's clinics are currently on the panel of preferred healthcare providers of various insurance companies and medical corporations. Our business and results of business operations may be materially and adversely affected in the event that the relevant clinics are removed from such panels of preferred healthcare providers of insurance companies and medical corporations. Many of our patients rely on public insurance and healthcare schemes. If there are any changes to these schemes that affect the amount of subsidies to patients, they may then choose to go to public clinics or hospitals instead. We cannot assure that our financial condition and results of operations of our Group would not be affected as a result of any such changes to the policies and laws relating to the healthcare system.

USE OF PROCEEDS

The Board believes that Hong Kong is better positioned geographically with higher demand of patients from the People's Republic of China (the "PRC"), especially Greater Bay Area. The Board also believes that the Group would be benefited from the expansion in Hong Kong, which representing a step for possibly entering the PRC market in the future.

Therefore, the Group has made an announcement to reallocate the Unutilised Net Proceeds for the purpose of expansion of clinics outside Singapore on 5 August 2020. The reallocated use of the Unutilised Net Proceeds (the "Change of UOP") as follows:

The net proceeds from the Share Offer as at 31 December 2020 were used as follows:

Intended uses of the Net Proceeds	Planned use of the Net Proceeds since the Listing as stated in the Prospectus (adjusted on a prorate basis based on the actual net proceeds) *HK$ million*	Utilized Net Proceeds since the Listing up to 31 December 2020 *HK$ million*	Unutilized Net Proceeds since the Listing up to 31 December 2020 *HK$ million*	*Notes*
Strategically expand and strengthen our network of clinics in Singapore	3.2	(3.2)	–	
Enhance the quality and variety of our Services at our existing Clinics and establish new medical aesthetic clinics	13.6	(13.2)	0.4	*b*
Purchase additional new devices and broaden the variety of treatments and products offered	9.6	(2.3)	7.3	*b*
Improve our information technology infrastructure and systems	2.4	(1.1)	1.3	
General working capital	2.7	(2.7)	–	
Strategically expand and strengthen our network of clinics outside Singapore	5.0	(1.8)	3.2	*c*
Strategically invest in MedTech and digital healthcare to create synergy to our current businesses	4.2	(2.3)	1.9	*d*
Development of innovative products to create a new business that have synergy with our current business	4.0	(0.9)	3.1	*e*
	44.7	(27.5)	17.2	

Notes:

(a) The unused proceeds are deposited in a licensed bank in Hong Kong and Singapore.

(b) The Group has successfully secured a letter of offer dated 1 February 2021 for opening of new clinic at Gleneagles Medical Centre to expand more areas to widen our customer pool as well as establish dedicated clinics providing specialty dermatological services.

(c) Approximately HK$5.0 million was reallocated for exploring acquisition targets and targeting partnership opportunities to diversify our services and products offering to fulfill the medical, health, aesthetic wellness needs as well as for clinic premise's rental deposit, renovation and acquisition of medical equipment.

(d) Approximate HK$4.2 million was reallocated for investing in MedTech, digital healthcare, digital marketing and deployment of medical Artificial Intelligence ("AI") in both healthcare services and analysis of complex big data to create synergy on our current business.

(e) Approximately HK$4.0 million was reallocated to perform market research on products, skills and technology with potential for product development and formulation of our DS brand skincare products and supplements.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

CORPORATE INFORMATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability under Cayman Companies Law on 22 March 2017. The shares of the Company (the "Shares") have been listed on GEM of Stock Exchange with effect from 13 October 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 33 to the financial statements for the year ended 31 December 2020. The Group primarily focuses on provision of specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising medical, surgical, laser and aesthetic treatments. There were no significant changes in the nature of the Group's principal activities during the year.

Details of the business review for the year ended 31 December 2020, including a fair review of the Group's business, principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business are set out in the Chairman's statement and Management Discussion and Analysis on pages 3 to 12 of this report.

DIVIDEND POLICY

The Dividend Distribution Policy of the Company establishes the principles to ascertain amounts that can be distributed to its shareholders as dividend by the Company. Subject to the applicable law and its Articles of Association, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholders return.

While determining the nature and quantum of dividend payout, the Board would take into account the following factors, inter alia:

- Cash flow position of the Company
- Earnings stability
- Long term investments
- Future cash requirements for development
- Economic environment
- Industry outlook for the future years
- Changes in the Government policies, industry specific rulings & regulatory provisions

RESULTS AND DIVIDENDS

The financial performance of the Group for the year ended 31 December 2020 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 45 to 46 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it engages. The Group strives to improve the efficient use of the natural resources, including electricity, water and paper. The Group aims to develop energy saving culture. The Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment.

Details regarding to the Group's environmental, social and governance report can be found in the Environmental, Social and Governance Report set out on pages 33 to 40 of this report.

COMPLIANCE WITH THE LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the year ended 31 December 2020 and up to the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group for the year ended 31 December 2020 and up to the date of this report.

RELATIONSHIP WITH EMPLOYEES, CLIENTS, SUPPLIERS AND OTHER STAKEHOLDERS

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, clients, suppliers, banks, regulators and shareholders of the Company (the "Shareholders"). During the year ended 31 December 2020, there were no material and significant disputes between the Group and its key stakeholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last four years is set out on page 106 of this report. The summary does not form part of the audited financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 45 of this report.

SHARE CAPITAL

Details of the share capital of the Company for the year ended 31 December 2020 are set out in note 29 to the consolidated financial statements for the year ended 31 December 2020.

DISTRIBUTABLE RESERVES

As at 31 December 2020, in the opinion of the Directors, no reserves of the Company available for distribution to shareholders under the Companies Law of the Cayman Islands.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2020, the Group had four secured bank loan amounting to approximately S$6,000,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the "Articles of Association") or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

REPORT OF THE DIRECTORS

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2020.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2020 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.

MAJOR CLIENTS AND SUPPLIERS

In the year under review, the percentage of revenue derived from our five largest customers in aggregate, accounted for 37.4% of total revenue (2019: 23.1%). Our largest customer accounted for 14.4% of total revenue (2019: 12.4%).

For the year ended 31 December 2020, our largest supplier accounted for approximately 41.3% (2019: 46.3%) of our total purchases. For the year ended 31 December 2020, our five largest suppliers in aggregate accounted for approximately 91% (2019: 73.1%) of total purchases.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers during the year ended 31 December 2020.

DIRECTORS

The Directors during the year ended 31 December 2020 and up to the date of this report were as follows:

Executive Directors
Dr. Loh Teck Hiong *(Chairman)*
Dr. Ee Hock Leong *(resigned on 08 June 2020)*
Dr. Kwah Yung Chien, Raymond *(resigned on 08 June 2020)*
Mr. Liu Yang *(Co-Chairman and appointed on 23 April 2020)*
Dr. Seow Swee How *(Chief Executive Officer and appointed on 08 June 2020)*

Independent Non-Executive Directors
Mr. Ong Kian Guan
Mr. Cheung Kiu Cho Vincent
Mr. Wang Ning *(resigned on 31 March 2020)*
Mr. Yang Zhangxin *(appointed on 08 June 2020)*

Pursuant to the Articles of Association, Dr. Loh Teck Hiong and Mr. Cheung Kiu Cho Vincent will retire and, being eligible, offer themselves for re-election at the AGM.

CONFIRMATION OF INDEPENDENCE

Each independent non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines of Rules 5.09 of the GEM Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three (3) years commencing from the date of the Listing and continuing thereafter until terminated by either party by giving not less than three months' notice in writing to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company. Each letter of appointment is for an initial term of one (1) year unless terminated by either party giving at least one month's notice in writing.

None of the Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

We have established a remuneration committee of the Company (the "Remuneration Committee") in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the remuneration policy and other remuneration related matters, including benefits in kind and other compensation payable to the Directors and senior management, after consultation with the chairman and/or chief executive officer.

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 8 to the consolidated financial statements for the year ended 31 December 2020.

DIRECTORS' INTERESTS IN CONTRACTS

There were no transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding Company, or any of its subsidiaries was a party and in which a director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2020.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the year ended 31 December 2020.

RETIREMENT BENEFIT SCHEMES

Other than payments to the Central Provident Fund in Singapore, the Group has not operated any other retirement benefit schemes for its employees. Particulars of the retirement benefit schemes are set out in note 31 to the consolidated financial statements for the year ended 31 December 2020.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force during the year ended 31 December 2020. The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

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

As at 31 December 2020, 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)*	278,848,000 (Long position)	46.47%

Notes: The 278,848,000 shares are held by Brisk Success. Dr. Loh holds 50% equity interests in Brisk Success and under the SFO, Dr. Loh is deemed to be interested in the 278,848,000 Shares held by Brisk Success.

Save as disclosed above, as at 31 December 2020, 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 31 December 2020, 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	278,848,000 (Long position)	46.47%
Ms. Fung Yuen Yee	Interest of spouse *(Note 1)*	278,848,000 (Long position)	46.47%
Victory Spring Ventures Limited	Beneficial owner *(Note 2)*	35,560,000 (Long position)	5.93%
Ye Zhichun	Interest in controlled corporation *(Note 2)*	35,560,000 (Long position)	5.93%

Notes:

(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 Victory Spring Ventures Limited is legally and beneficially owned by Mr. Ye Zhichun. Accordingly, Mr. Ye Zhichun is deemed to be interested in 35,560,000 Shares held by Victory Spring Ventures Limited by virtue of the SFO.

Save as disclosed above, as at 31 December 2020, 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.

REPORT OF THE DIRECTORS

COMPETING INTERESTS

During the period under review, none of the Directors or the controlling Shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 22 September 2017 (the "Adoption Date"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose of the share option scheme

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("Invested Entity").

(b) Participants of the share option scheme

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, including, where required under the GEM Listing Rules, employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of our Group.

(c) Total number of shares available for issue under the share option scheme

Under the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of all the Shares in issue as at the Listing Date unless the Company obtains a fresh approval from the Shareholders. Therefore, it is expected that our Company may grant options in respect of up to 60,000,000 Shares (or such numbers of Shares as shall result from a subdivision or a consolidation of such 60,000,000 Shares from time to time) to the participants under the Share Option Scheme.

As at the date of this annual report, a total of 60,000,000 shares, representing approximately 8.33% of the issued share capital of the Company are available for issue under the Share Option Scheme.

(d) Maximum entitlement of each participant under the share option scheme

The maximum number of shares issued and to be issued upon exercise of options granted under the Scheme and any other share option scheme of the Company to each participant in any 12-month period up to the date of grant shall not exceed 1% of the total shares of the Company in issue.

(e) The period within which the shares must be taken up under an option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(f) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(g) The amount payable on acceptance of an option and the period within which payments shall be made

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.00.

(h) The basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent.

(i) The remaining life of the share option scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

During the period from 22 September 2017 to the date of this report, no share options were granted by the Company.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 25 to 32 of this report.

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, each of our then controlling Shareholders, namely, Dr. Loh, Dr. Ee and Dr. Kwah (collectively referred to as the "Controlling Shareholders"), 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 year ended 31 December 2020.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "AGM") will be held on Tuesday, 11 May 2021. A notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the GEM Listing Rules and other applicable laws and regulations.

REPORT OF THE DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Thursday, 6 May 2021 to Tuesday,11 May 2021, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 5 May 2021.

EQUITY-LINKED AGREEMENT

No equity-linked agreements were entered into during the year ended 31 December 2020 or subsisted as at 31 December 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the latest practicable date prior to the issue of this report.

CONNECTED TRANSACTIONS

During the year ended 31 December 2020, the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

On 22 December 2020, the Company and a placing agent entered into an agreement pursuant to which the Company conditionally agreed to place through the placing agent, on the best effort basis, of up to 120,000,000 placing shares of the Company (the "Placing Shares"), to not less than 6 independent third parties at a price of HK$0.225 per Placing Share (the "Placing"). On 12 January 2021, the Placing completed and the Company issued and allotted the Placing Shares, and the total number of shares of the Company in issue was increased to 720,000,000. The Directors intended to use the net proceeds of approximately HK$12 million from the Placing as general working capital of the Group. Please refer to the announcements of the Company dated 22 December 2020 and 12 January 2021 for more details.

AUDITOR

The consolidated financial statements for the year ended 31 December 2020 have been audited by Deloitte & Touche LLP, who will retire and being eligible, offer itself for re-appointment at the forthcoming AGM.

On Behalf of the Board

RMH Holdings Limited
Dr. Loh Teck Hiong
Chairman and Executive Director

Hong Kong
25 March 2021

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Loh Teck Hiong ("Dr. Loh"), aged 51, is our executive Director, compliance officer, chairman of our Board and the chairman of the nomination committee. He is responsible for the overall management, branding, compliance and business development of our Group. Dr. Loh joined our Group in September 2013, was appointed as a Director on 22 March 2017 and was re-designated as an executive Director and appointed as the chairman on 18 May 2017.

Dr. Loh graduated from the University of Melbourne in Australia in December 1995 with a Bachelor of Medicine & Bachelor of Surgery and was admitted as a member of the Royal College of Physicians of the United Kingdom in 1998. He is currently a fellow of the Academy of Medicine in Dermatology in Singapore. Dr. Loh was the author of three published medical articles relating to urticarial vasculitis, unna thost palmar-plantar keratoderma and occupational dermatosis.

Dr. Loh has over 19 years medical practice specialising in dermatology and has extensive experience in medical, surgical and laser dermatology with special interest in atopic eczema, skin allergy, paediatric dermatology, moles or birthmarks and skin cancers. Prior to becoming a founder of our Group, from May 1996 to August 1996, Dr. Loh worked as a Pre-registration House Officer in the Department of Surgery at the Aberdeen Royal Infirmary, United Kingdom, where he was responsible for consultation and diagnostic of patients under supervision of a registrar and consultant. Between August 1996 and February 1997, Dr. Loh worked as a House Officer of General Medicine department at the Northampton General Hospital in United Kingdom. From February 1997 to February 1998, Dr. Loh worked as a senior house officer in General and Neonatal Paediatrics at St. Peter's Hospital in the United Kingdom. From February 1998 to February 1999, Dr. Loh worked as a senior house officer at Guy's Hospital in the United Kingdom. His main duties included caring for patients from neonatology, paediatric cardiology and paediatric nephrology departments under the guidance of registrar and consultant. From September 1999 to March 2000, Dr. Loh was a Registrar in the Department of Paediatric, National University Hospital, Singapore and from May 2000 to April 2003, a Registrar at the National Skin Center in Singapore conducting consultation and diagnostic services to patients. From May 2003 to July 2005, Dr. Loh was an associate consultant dermatologist at the NSC, an outpatient specialist dermatological center in Singapore, where he was responsible for consultation and diagnosing patients, prescription and conducting treatments. Dr. Loh then established Dermatology Associates Pte. Ltd. in Singapore in November 2004 where he provided dermatology consultation and treatment until June 2014.

Dr. Seow Swee How (蕭瑞豪) ("Dr. Seow"), aged 53, graduated from National University of Singapore with Bachelor of Science degree in 1991 and Doctor of Philosophy degree in 1997.

Dr. Seow was a deputy chief executive officer and chief operating officer of MaNaDr Mobile Health from May 2016 to December 2019. He was a managing director and chief technology officer of Nipsea Group/Nippon Paint Group from January 2010 to April 2016, a member of the board in a cleantech fund and asset management company from January 2016 to December 2017, a regional director of Solvay S.A. from January 2006 to December 2009, a regional development director of Milliken & Company from January 2002 to December 2005, a regional manager of Eastman Chemical Company from January 1997 to December 2001. Dr. Seow has extensive experience in healthcare, healthtech, pharmaceutical, cleantech and chemical industries in China, Singapore and the United States.

Mr. Liu Yang (劉陽) ("Mr. Liu"), aged 34, graduated from Beijing Opening University with bachelor's degree of International Economics and Trade in 2009. Mr. Liu Yang held the position of general manager and chairman of the board of directors of 深圳市網聯通盈網路科技有限公司 from August 2012 to December 2015 and from January 2016 to December 2019 respectively. Mr. Liu Yang is currently acting as a chief executive officer of J.W. (Joinway Holdings) Culture Media Planning & Production International Holdings Limited since January 2020, and a non-executive director and a vice chairman of China Financial Leasing Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2312) since 8 April 2020. Mr. Liu Yang has extensive experience in marketing and business development in China, Hong Kong and South East Asia.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Kiu Cho Vincent (張翹楚) ("Mr. Cheung"), aged 45, was appointed as our independent non-executive director on 22 September 2017. Mr. Cheung is a member of the audit committee and nomination committee.

Mr. Cheung graduated from the Hong Kong Polytechnic University in November 1997 with a bachelor's degree (Hons) in real estate. He further obtained a master of business administration in international management from the Royal Holloway and Bedford New College, University of London in December 2003. He was admitted as a member of the Hong Kong Institute of Surveyors in February 2002. Mr. Cheung further became a fellow member of the Royal Institution of Chartered Surveyors in August 2015. He has been a member of the Institute of Shopping Centre Management since May 2016. Mr. Cheung has also been a registered valuer of the Royal Institution of Chartered Surveyors since May 2013, a registered professional surveyor (general practice) under the Surveyors Registration Board in Hong Kong since July 2003 and a valuer on the ''List of Property Valuers for undertaking Valuations for incorporation or reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers" of the Hong Kong Institute of Surveyors since April 2005, respectively. Mr. Cheung also admitted as a member of China Institute of Real Estate Appraisers and Agents in January 2018 and; a member of Hong Kong Institute of Real Estate Administrators in July 2018. Mr. Cheung is currently a licensed estate agent in Hong Kong; a registered real estate appraiser and a registered real estate agent of The People's Republic of China.

Mr. Cheung has over 23 years of experience in the real estate industry and assets valuations sector. Mr. Cheung is currently the founder and managing director of Vincorn Consulting and Appraisal Limited and the company is focusing on the provision of valuation and advisory services to the listed companies in Hong Kong and other multinational corporations in the region. Prior to the incorporation of his own practice, from 2016 to 2019, Mr. Cheung was the deputy managing director of valuation and advisory services, Asia of Colliers International (Hong Kong) Limited. Mr. Cheung joined Cushman & Wakefield Valuation Advisory Services (HK) Limited in 2006 and was promoted as the head of valuation, Greater China in 2009. Mr. Cheung joined Sallmanns (Far East) Limited in March 2003 and left as a senior manager in 2005. Mr. Cheung was an Associate Director of RHL Appraisal Limited from June 2005 to July 2006, responsible for corporate valuation and advisory in Hong Kong and China. Mr. Cheung was a valuer in DTZ Debenham Tie Leung Limited in February 2001 and was promoted to senior valuer in the valuation & advisory services department where he was responsible for handling land matters and statutory valuations. Mr. Cheung was a manager at Francis Lau & Co (Surveyors) Limited which he was responsible for carrying out general practice surveying from July 1997 to January 2000. Mr. Cheung has been appointed as an independent non-executive director of China Automobile New Retail (Holdings) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 526) since June 2006, an independent non-executive director of MECOM Power and Construction Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1183) since February 2018 and a non-executive director of GTI Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3344) since November 2020.

Mr. Ong Kian Guan (王建源) ("Mr. Ong"), aged 53, was appointed as our independent non-executive Director on 22 September 2017 and is responsible for providing our Group with independent judgment on strategy, policy, performance, internal control, accountability and corporate governance. Mr. Ong is the chairman of the audit committee and a member of the nomination committee and remuneration committee.

Mr. Ong graduated from the Nanyang Technological University, Singapore in May 1992 with a bachelor degree in accountancy. He has been practising as a public accountant in Singapore since May 2005 and was awarded as a fellow member of the Institute of Certified Public Accountants of Singapore in January 2010.

He has been an audit partner of Baker Tilly TFW LLP since 2005. He is a practising member and a fellow of the Institute of Singapore Chartered Accountants (the "ISCA"). He has more than 25 years of professional experiences in financial audits of multinational corporations and public listed companies from diverse industries. His experiences also includes consultancy, particularly initial public offerings of companies, financial due diligence and outsourced internal audit assignments. He is currently an independent non-executive director of CHINA XLX FERTILISER LTD. (a company listed on the Main Board of the Stock Exchange, stock code: 1866) since 11 May 2007 and Omnibridge Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8462) since 15 December 2020. He was an independent non-executive director of IAG Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8513) from 19 December 2017 to 30 April 2020. He was also the independent director and audit committee chairman of Serrano Limited, Weiye Holdings Limited and Alita Resources Limited up till August 2018, December 2018 and December 2019 respectively.

Mr. Yang Zhangxin (楊章鑫) ("Mr. Yang"), aged 30, graduated from Shandong Xiehe University with bachelor's degree of Nursing in 2014. Mr. Yang held the position of operating director of 美哈(深圳)專科診所管理有限公司 from June 2019 to April 2020. He was a Head Nurse of The Second Affiliated hospital of Zhejiang University School of Medicine from June 2013 to May 2019 and a practice nurse from July 2012 to March 2013. Mr. Yang has extensive experience in healthcare and knowledge of nursing.

SENIOR MANAGEMENT

Ms. Ang Shally (洪雪倪) ("Ms. Ang"), aged 31, is our chief financial officer. She is responsible for overseeing the daily accounting and financial management of our Group. Ms. Ang joined the Company in September 2017. Ms. Ang graduated from Victoria University, Australia in October 2012 with a Bachelor of Business (Accounting). She was admitted as a member of CPA Australia in May 2016 and qualified as a Chartered Accountant of Singapore or CA (Singapore) in March 2018. She has extensive experience in accounting and finance management.

CORPORATE GOVERNANCE REPORT

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 year ended 31 December 2020.

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 the Directors, all 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 year ended 31 December 2020.

BOARD OF DIRECTORS

Board Composition

As at the date of this report, the Board comprised of six Directors of which three are executive Directors and three are independent non-executive Directors. The composition of the Board during the year ended 31 December 2020 and up to the date of this report was:

Executive Directors
Dr. Loh Teck Hiong *(Chairman)*
Dr. Kwah Yung Chien, Raymond *(resigned on 08 June 2020)*
Dr. Ee Hock Leong *(resigned on 08 June 2020)*
Mr. Liu Yang *(Co-Chairman and appointed on 23 April 2020)*
Dr. Seow Swee How *(Chief Executive Officer and appointed on 08 June 2020)*

Independent non-executive Directors
Mr. Ong Kian Guan
Mr. Cheung Kiu Cho Vincent
Mr. Wang Ning *(resigned on 31 March 2020)*
Mr. Yang Zhangxin *(appointed on 08 June 2020)*

During the year ended 31 December 2020, save as disclosed under the section headed "Corporate Governance Practices" above, the Board had complied with the requirements of the GEM Listing Rules to have at least three independent non-executive Directors who represent more than one-third of the Board and with at least one of whom possesses appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 5.05 of the GEM Listing Rules.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall management of the Group by providing leadership and managing control of the resource allocation and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards.

The management team is delegated with the authority and responsibility by the Board for the daily management of the Group. The delegated functions and work tasks are periodically reviewed. Major corporate matters that are specifically delegated by the Board to the management include (1) the preparation of quarterly, interim and annual reports and announcements for the Board's approval before publishing; (2) implementation of adequate systems of internal controls and risk management procedures; and (3) compliance with relevant statutory and regulatory requirements and rules and regulations.

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board, on issues of strategic direction, policies, development, performance and risk management. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, they scrutinise the Company's performance in achieving corporate goals and objectives and monitor performance reporting. By doing so, they are able to contribute positively to the Company's strategy and policies through independent, constructive and informed comments at Board and committee meetings.

The Company has arranged appropriate insurance coverage for Directors' liabilities in respect of legal actions against them for corporate activities.

BOARD/BOARD COMMITTEE MEETINGS

The Board regularly meets in person or through other electronic means of communication to discuss amongst other matters, the direction and strategy of the Group, financial and operating performance and to review and approve the Group's quarterly, interim and annual results.

In respect of regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers are sent in full to all Directors at least 3 days before the intended date of a board or board committee meeting to enable the Directors to make informed decisions. The Board and each Director have separate and independent access to the senior management whenever necessary. Upon reasonable request, the Directors are allowed to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist the Director to discharge his/her duties to the Company.

The company secretary takes detailed minutes of the meetings and keeps records of matters discussed and decisions resolved at the meetings, including any concerns raised or dissenting views expressed by Directors, and the voting results of Board meetings fairly reflect Board consensus. Both draft and final versions of the minutes are sent to all Directors for their comments and records respectively, within a reasonable time after each meeting, and such minutes are open for inspection with reasonable advance notice by any Director. Directors are entitled to have access to board papers and related materials, and any queries will be responded to fully.

Directors must abstain from voting and not be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

	Attendance/Number of Meetings held				
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Executive Directors					
Dr. Loh Teck Hiong	4/4	–	1/1	–	1/1
Dr. Kwah Yung Chien, Raymond *(resigned on 08 June 2020)*	2/2	–	–	1/1	–
Dr. Ee Hock Leong *(resigned on 08 June 2020)*	2/2	–	–	–	–
Mr. Liu Yang *(appointed on 23 April 2020)*	0/3	–	–	–	0/1
Dr. Seow Swee How *(appointed on 08 June 2020)*	2/2	–	–	–	0/1
Independent Non-Executive Directors					
Mr. Cheung Kiu Cho Vincent	4/4	4/4	1/1	–	1/1
Mr. Ong Kian Guan	4/4	4/4	1/1	1/1	0/1
Mr. Wang Ning *(resigned on 31 March 2021)*	1/1	1/1	–	1/1	–
Mr. Yang Zhangxin *(appointed on 08 June 2020)*	2/2	2/2	–	–	0/1

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The executive Directors have entered into service contracts with the Company for an initial term of three (3) years commencing from the date of Listing and continuing thereafter until terminated by either party with a not less than three months' notice in writing.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each appointment is for the term of one (1) year subject to subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

In compliance with the code provision A.4.2 of the CG Code, pursuant to the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are aware of code provision A.6.5 of the CG Code regarding continuing professional development programme for Directors. The Company would arrange and/or introduce suitable training and information for the Directors to ensure they are fully aware of their responsibilities under statute and common law, the GEM Listing Rules and other applicable legal and regulatory requirements. During the year ended 31 December 2020, the Company had arranged a seminar on the GEM Listing Rules, the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong, the "Companies Ordinance") and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the Directors. All Directors attended the seminar.

The training record of each Director as at 31 December 2020 is set out as below

	Attending seminar or briefings/perusal of materials in relation to business or Directors' duties
Executive Directors	
Dr. Loh Teck Hiong	Yes
Mr. Liu Yang	Yes
Dr. Seow Swee How	Yes
Independent non-executive Directors	
Mr. Ong Kian Guan	Yes
Mr. Cheung Kiu Cho Vincent	Yes
Mr. Yang Zhangxin	Yes

Directors' and Officers' Liabilities

The Company has in place appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis by the Company.

BOARD COMMITTEES

The board is supported by three Board committees to oversee specific aspects of the Company's affairs. The audit committee of the Company (the "Audit Committee"), the Remuneration Committee and the nomination committee of the Company (the "Nomination Committee") each has its defined scope of duties and terms of reference. The Board committees are provided sufficient resources and are empowered to make decisions/recommendations within their respective terms of reference to the Board.

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 report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Cheung Kiu Cho Vincent and Mr. Yang Zhangxin. Mr. Ong Kian Guan, our independent non-executive Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are 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.

During the year ended 31 December 2020, the Audit Committee held four meetings and the attendance of meetings is set out under the section headed "Board/Board Committees Meetings" on page 27 in this report.

The Audit Committee performed the following work during the year ended 31 December 2020:

a. reviewed the Group's audited consolidated financial statements for the year ended 31 December 2020, the unaudited condensed consolidated first quarterly financial results for the three months ended 31 March 2020, the unaudited condensed consolidated interim financial results for the six months ended 30 June 2020 and the unaudited condensed consolidated third quarterly financial results for the nine months ended 30 September 2020 including the accounting principles and practices adopted by the Group;

b. reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements;

c. reviewed the Group's internal control system and related matters; and

d. considered and made recommendations on the re-appointment of the independent auditor of the Group, and the terms of engagement.

REMUNERATION COMMITTEE

Our Company established a Remuneration Committee on 22 September 2017 with written terms of reference in compliance with code provision B.1.2 of the CG Code. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; review performance based remuneration; and ensure none of our Directors determine their own remuneration. As at the date of this report, the Remuneration Committee consists of three members, namely Mr. Yang Zhangxin, Mr. Ong Kian Guan and Dr. Seow Swee How. Mr. Yang Zhangxin is the chairman of the Remuneration Committee. During the year ended 31 December 2020, the Remuneration Committee convened one committee meeting.

During the year ended 31 December 2020, the remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements for the year ended 31 December 2020. The attendance of Remuneration Committee meeting is set out under the section headed "Board/Board Committees Meetings" on page 27 of this report.

NOMINATION COMMITTEE

Our Company established a Nomination Committee on 22 September 2017 with written terms of reference in compliance with code provision A.5.2 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; access the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or reappointment of Director. As at the date of this report, the Nomination Committee consists of three members, namely Dr. Loh Teck Hiong, Mr. Ong Kian Guan and Mr. Cheung Kiu Cho Vincent. Dr. Loh Teck Hiong is the chairman of the Nomination Committee. During the year ended 31 December 2020, the Nomination Committee convened one committee meeting. It had assessed the independence of independent non-executive Directors, considered the re-appointment of retired Directors and discussed matters relating to procedure of nomination of director candidate by shareholders, Directors' evaluation and succession plan etc. The attendance of Nomination Committee meeting is set out under the section headed "Board/Board Committees Meetings" on page 27 of this report.

The Company is aware of the benefits of having a diverse Board as an essential element to improving governance and performance, and to creating a competitive advantage. In structuring of the Board composition, by taking into account the Group's board diversity policy board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will ultimately be based on merit and the contribution that the selected candidates will bring to the Board which the Board as a whole requires to be effective.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for overseeing the preparation of consolidated financial statements of the Group on an on-going concern basis, with supporting assumptions or qualifications as necessary, for each financial period with a view to ensure that such financial statement gives a true and fair view of the state of affairs of the Group, and of the results and cash flows for the financial year.

The responsibility of the Company's auditor, Deloitte & Touche LLP, is set out in the section headed "Independent Auditor's Report".

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness. We have established an Audit Committee to review and supervise the effectiveness of the financial reporting process and internal control and risk management system, and overseeing the audit process.

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures in operational systems and achievement of the Group's objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Our Board will regularly review the administration and the adequacy of our internal system and develop and revise our internal control system to later for our expansion.

The Group has engaged internal auditor, Moore Stephen LLP, to undertake a review of the internal control system of the Group under rotation basis.

Accordingly, the internal auditor is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

AUDITOR'S REMUNERATION

Deloitte & Touche LLP was appointed by the Board as the auditor of the Company. The remuneration paid or payable to Deloitte & Touche LLP and its member firms for services rendered for the year ended 31 December 2020 were as follows:

	S$'000
Audit services	164

COMPLIANCE OFFICER

Dr. Loh Teck Hiong has been appointed as the compliance officer of our Company. His biographical details are set out in section headed "Biographical Details of Directors and Senior Management" in this report.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Mr. Man Yun Wah ("Mr. Man"), aged 38, was appointed as our company secretary on 18 May 2017.

Mr. Man is an associate member of The Hong Kong Institute of Chartered Secretaries. He graduated from the University of Huddersfield in England with a Bachelor of Arts in business administration and management in March 2010. He further obtained a degree of Master of Corporate Governance from the Open University of Hong Kong in November 2014.

The primary duties of the company secretary include, but are not limited to, the following: (a) to ensure the Board procedures are followed and that the activities of the Board are carried out efficiently and effectively; (b) to assist the chairman to prepare agendas and Board papers for meetings and disseminate such documents to the Directors and Board committees in a timely manner; (c) to timely disseminate announcements and information relating to the Group; and (d) to maintain formal minutes of the Board meetings and other Board committee meetings. He has been in contact with the Board and the chief financial officer directly.

Mr. Man has confirmed that he had received no less than 15 hours of relevant professional training for the year ended 31 December 2020, in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the Shareholders and potential investors of the Company via the following:

(i) the timely public announcements and publications of quarterly, half yearly and annual reports and/or circulars as required under the GEM Listing rules and/or press releases of the Company providing updated information on the Group; and

(ii) the holding of annual general meetings and general meetings of the Company, if any, which may convened for specific purpose and provide an avenue for the Shareholders to engage actively with the Board.

SHAREHOLDERS' RIGHTS

Right to convene an extraordinary general meeting

Pursuant to the Company's articles of association, the Board may whenever it thinks fit call an extraordinary general meeting (the "EGM"). Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to put forward proposals at general meetings

There are no provisions allowing the Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). However, the Shareholders may follow the procedure set out in the section headed "Rights to convene an EGM" above for including a resolution at an EGM. The requirements and procedures are set out above.

Right to Put Enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the company secretary at Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, shareholders can contact Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

INVESTOR RELATIONS

The Company believes that maintaining effective communication with the investment industry is crucial to having a deeper understanding of the Company's business and its development among investors. The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include the annual general meeting, the annual, interim and quarterly reports, notices, announcements and circulars and the Company's website at https://rmhholdings.com.sg.

CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date to 31 December 2020, there had been no change in the Company's constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

ABOUT THIS REPORT

The inaugural Environmental, Social and Governance Report ("ESG Report") of RMH Holdings Limited ("RMH" or "We") has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") made by The Stock Exchange of Hong Kong Limited (the "HKEX"). This report aims to provide an overview of environmental, social and governance ("ESG") performance of RMH's operations for the financial year ended 31 December 2020. It highlights relevant strategies and business initiatives, and demonstrates how RMH is a sustainable and responsible business with a positive impact on our stakeholders.

SUSTAINABILITY VISION AND MISSION

We believe that sustainability is integral to our business and is critical to achieve long-lasting value creation for all our stakeholders. We embarked on our sustainability journey to address material ESG issues in order to create a sustainable future for our organisation, our stakeholders and the society as a whole.

REPORTING PERIOD

All data and activities reported were for the period from 1 January to 31 December 2020, unless stated otherwise.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

We recognise that stakeholders play a strategic role in maintaining company's long-term growth, as well as responsible business development in ESG aspects. Our business activities involve a diverse range of stakeholders, but we select our stakeholders based on influence, representation, responsibility, dependency, and proximity. We strive to improve our stakeholder engagement by continuously improving our communication channels, and embedding valuable stakeholder input into our strategy.

STAKEHOLDERS' FEEDBACK

We welcome stakeholders' feedback on our ESG approach and performance. For questions or to deliver feedback about this report, please share your views with us via email rmhhelpline@dermclinic.com.sg.

A: ENVIRONMENTAL

We are a leading specialist dermatological and surgical practice in Singapore that is accredited by the Ministry of Health ("MOH") in Singapore. Our main environmental impacts arising from our business practice includes: carbon emissions, waste generation, energy consumption and water consumption.

A1: Emissions

We recognise the importance of sustainability in our business operation. We put emphasis on complying with the relevant environmental law and regulations in Singapore. However, our business nature are service focused and posed insignificant impact to the environment when compared with other industries.

Greenhouse gas emissions: Our business is conducted locally in office premises. The emissions in our daily operations is primarily from energy consumption that is utilised to power our facilities and equipment. In 2020, the total carbon emissions was recorded to be 8,912 kg CO2e. In line with our Group's objective to minimise Greenhouse Gas ("GHG") emissions, we have implemented energy saving practices at our clinics that are mentioned under the section of "Use of Resources".

Hazardous waste: We fully comply with responsible management of our medical waste, which is outlined in Singapore Environmental Public Health (Toxic Industrial Waste) Regulations. To dispose medical waste in a safe and reliable manner, we have entered into a service agreement with a government-licensed toxic industrial waste collector. The licensed service provider will collect the medical waste from our clinics at Orchard and Raffles Place and subsequently dispose the waste in any authorised incineration plant approved under the laws of Singapore. As for our clinic at East Coast, the hazardous waste is handled by an independent party engaged by the hospital, also with designated biological waste bin at the campus. In 2020, the total hazardous waste generated accounted to less than 135 litres.

Non-hazardous waste: We treat the disposal of non-hazardous waste as an equally important task since certain types of non-hazardous waste can be recycled. During our daily operations, waste paper and plastics are collected for delivery to recycling companies. Furthermore, we encourage our employees to use both sides of paper, set duplex printing as the default mode for our network printers and also, to use recycled paper so as to minimise the wastage of paper. We aim to implement a tracking system in future so as to better track the total amount of non-hazardous waste generated in RMH. This will enable us to reflect a more accurate figure of the non-hazardous waste generated in RMH in future reports.

A2: Use of Resources

As our business nature is service focused, the main resources used in our daily operation are electricity, water and papers. In line with our Group's policy, we encourage our employees to manage the resources used in an effective and efficient manner.

Energy consumption: With an emphasis on environmental protection and energy conservation, we have arranged all our electrical appliances and medical equipment to be set in energy saving mode. We also reduced excessive lighting and air-conditioning to minimise usage of cooling towers during low loading periods for air-conditioning. In 2020, the total energy consumption accounted to less than 118,000 kWh.

Water consumption: We encourage our employee to monitor the water usage in our East Coast Clinic, Orchard Clinic, Raffles Place Clinic ("Clinics"), Shaw Centre Clinic, back office and Hong Kong Laboratory and office on a monthly basis to identify sudden spikes in consumption as well as water leaking in the piping system. In 2020, the total water consumption accounted to less than 40 m^3.

Packaging material used: We are primarily involved with the dermatological and surgical practice, and the prescription of medication and skin-care products. These medication and skin-care products are manufactured, packed, and distributed by our suppliers. As our business nature is service focused, there was no significant of the amount of packaging material used in our daily operation. As such, we do not track the packaging material used for the products.

A3: The Environment and Natural Resources

Our business operations pose an insignificant impact toward environment and natural resources used. Based on our business nature, the natural resources which contributed to our daily operations are primarily from the usage of electricity, water and paper. In line with our Group's policies, we strive to minimise the impact to the environment by encouraging our employees to monitor and manage the consumption of these natural resources in a more efficient manner (mentioned under the section of "Use of Resources").

B: SOCIAL

B1: Employment

We emphasise the protection of labour rights, equal opportunity and non-discrimination in the workplace. We have a human resource policy that expresses our commitment to the ethical, professional and legal standards. In addition, our human resources policy and staff handbook were formulated in compliance with the relevant labour law of Singapore. Both documents contained the information related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Furthermore, we are committed to provide a conducive working environment with strong emphasis on work-life balance. In 2020, we organised several team bonding activities such as company dinner, karaoke activity as well as birthday celebrations for our employees. These activities have thus fostered a sense of belonging and loyalty amongst our employees.

B2: Health and Safety

Occupational health and safety is of utmost importance to the RMH's business operations. The RMH's Business Process Manual emphasises on safety procedures and awareness in handling medical devices during daily operations. Our in-house doctors are responsible for the provision of support and resources required to maintain safe and ideal working conditions within the Clinics. Furthermore, they are also responsible for the implementation and planning of proper administrative procedures, including adhering to an agreed reporting structure and investigation methodology in the event of an incident occurring within the workplace. In 2019, there were zero reported work-related injuries and RMH continuously strives to monitor and improve the safety standards of the workplace environment. Furthermore, there were no material breach with compliance with relevant laws and regulations that have a significant impact on us relating to providing a safe working environment and protecting employees from occupational hazards.

B3: Development and Training

Here at RMH, our employees are critical to the operations and function of our business and we emphasise heavily on continual training so as to enhance staff performance and upgrade their professional skillsets. Our doctors and staff are encouraged to attend industry conferences, seminars and workshops as well as sharing sessions organised by our suppliers to keep abreast of evolving healthcare industry trends and standards. All these activities were carried out to ensure that our employees remain updated with relevant developments and are aware of the laws and regulations that govern the healthcare industry.

The following in-house training programmes are provided to further develop our employees' competencies:

- Training is provided by medical device suppliers or senior clinic staff in relation to the use of a new product or with regard to service related knowledge and also safety precautions of medical equipment

- During on-boarding session for new hires, training is provided by our in-house doctors to familiarise these new hires on daily operations and equipment handling procedures

- On-the-job assessments is also conducted by our in-house doctors for all of our professional staff to maintain the highest quality and standard of services to be provided to our clients

B4: Labour Standards

We respect the provisions outlined by the Labour Law in Singapore and have adopted a range of measures to ensure positive labour relations between management and our employees. For instance, we perform a stringent screening process on qualified candidates to ensure that they have reached the required minimum working age. In addition, we provide written labour contracts specifying their rights with regard to compensation and dismissal, working hours, rest periods, and other issues related to preventing forced labour. In 2020, there were no material breach with relevant laws and regulations recorded pertaining to child and forced labour.

B5: Supply Chain Management

We work closely with our suppliers to ensure a high quality and safety standards. A thorough due diligence is conducted prior to establishing any long-term business relationship with potential suppliers. Due diligence is conducted to ensure suppliers' compliance to trade laws and regulations as well as with the requirements within the RMH's Purchasing and Procurement Policy.

B6: Product Responsibility

We have formulated quality standards and purchasing guidelines in selecting and sourcing of skincare products. An approval must be obtained from our in-house doctors prior to the acceptance of any new over-the-counter skincare products that our Clinics will be distributing. In line with the RMH's Purchasing and Procurement Policy, we have implemented the following quality control procedures to our DS brand skincare products:

- In-house doctors to perform review on the medical journals, reports, commentaries as well as the list of ingredients used for the new type of skincare products to ensure the products are safe for user

- Management to request for few rounds of sample testing on the new skincare products to observe the quality consistency and to assess for potential defects

- Sales and operation staff to perform inspection upon delivery of the new skincare products to ensure the following:
  - ✓ No physically damaged on the products
  - ✓ Products are not passed the expiry date
  - ✓ Private labels applied to containers are clear
  - ✓ Product specifications are tallied with agreed format
  - ✓ Quantity of products received are tallied with purchase order
- Sales and operation staff will perform the following inventory monitoring procedures:
  - ✓ Record the delivery and manufacturing date of products
  - ✓ Monitor and maintain the stock level for all the products in the inventory management system to ensure products do not exceed the expiry date
  - ✓ Perform regular check on the products to ensure products are in good condition
- Sales and operation staff to safeguard the privacy, confidentiality and security of customer data entrusted to RMH which is in line with the RMH's internal control manual.

In 2020, there were no material breach with relevant law and regulations relating to health and safety, advertising, labelling and privacy matters recorded pertaining to our products and services.

B7: Anti-Corruption

Within RMH, we have established our own internal Whistleblowing Policy to support the detection of fraud and corruption risks. Moreover, all of our employees have undergone an internal training to familiarise themselves with the RMH's internal Whistleblowing Policy and thus are required to comply. This is to prevent employees from obtaining personal interest from related parties who have connections with RMH through bribery, extortion and fraud. In 2020, RMH was in compliance with Prevention of Corruption Act in Singapore and we recorded zero material breaches with relevant law and regulations pertaining to bribery, extortion, fraud and money laundering.

B8: Community Investment

RMH has consistently been committed towards corporate social responsibility where it aims to promote and achieve a positive impact toward the community. We actively participate in medical conferences, seminars and workshops in Singapore and overseas. We encourage our in-house doctors and staff to attend these events as guest speakers or participants, thereby raising awareness of prevention and treatment of dermatological conditions toward the community. In addition, our executive Directors have also contributed articles to medical journals, which increases the industry awareness of our RMH and also contributed invaluably to consumers and professionals across the industry.

HKEX ESG REPORTING GUIDE INDEX

CONTENT INDEX

ASPECT A: ENVIRONMENTAL		
General Disclosures ("GD")/ Key Performance Indicators ("KPIs")	**Description**	**Chapter, Page Reference, and/or Explanation for Omissions**
A1: EMISSIONS		
GD A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1: Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1: Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1: Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1: Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1: Emissions
KPI A1.5	Description of measures to mitigate emissions and results achieved.	A1: Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	A1: Emissions

A2: USE OF RESOURCES		
GD A2	Policies on the efficient use of resources, including energy, water and other raw materials.	A2: Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2: Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2: Use of Resources
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	A2: Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	A2: Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2: Use of Resources
A3: THE ENVIRONMENT AND NATURAL RESOURCES		
GD A3	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3: The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3: The Environment and Natural Resources

ASPECT B: SOCIAL

GD/KPIs	Description	Chapter, Page Reference, and/or Explanation for Omissions
B1: EMPLOYMENT		
GD B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1: Employment

B2: HEALTH AND SAFETY		
GD B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2: Health and Safety
B3: DEVELOPMENT AND TRAINING		
GD B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3: Development and Training
B4: LABOUR STANDARDS		
GD B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4: Labour Standards
B5: SUPPLY CHAIN MANAGEMENT		
GD B5	Policies on managing environmental and social risks of the supply chain.	B5: Supply Chain Management
B6: PRODUCT RESPONSIBILITY		
GD B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6: Product Responsibility
B7: ANTI-CORRUPTION		
GD B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7: Anti-Corruption
B8: COMMUNITY INVESTMENT		
GD B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8: Community Investment

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RMH HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of RMH Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages 45 to 105.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by International Auditing and Assurance Standard Board (the "IAASB"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of trade and other receivables *(Note 23)* and finance lease receivables *(Note 17)*	
Refer to Note 4 for relevant accounting policy and Note 36 for breakdown and credit risk of trade and other receivables and finance lease receivables respectively. As at 31 December 2020, the carrying amount of trade and other receivables is S$3,281,000 (2019: S$817,000) and finance lease receivables is S$675,000 (2019: S$NIL). The Group offers credit terms of 45 to 90 days from date of invoice to corporate customers comprised of mainly healthcare solutions and insurance companies and the average credit period for receivables from sales of healthcare products is 90 days. The Group determines the expected credit losses ("ECL") of receivables by making debtor-specific assessment of expected impairment loss for overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, debtors' ability to pay and forward-looking information specific to the debtors and economic environment. This assessment requires management to exercise significant judgement.	Our audit procedures included: • Evaluating design and implementation of the Group's relevant controls over the credit and collection process; • Testing the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data; • Checking the arithmetic accuracy of management's computation of ECL; • Reviewing for subsequent collections from receivables; • Evaluating management's assessment to support the collectability of the receivables; • Reviewing the specific analysis of individual customers with long overdue balances, including the profile, background and financial standing of the receivables; and • Discussing with management on the recoverability of past due debts to assess the adequacy of allowance for receivables.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	**2020** **S$'000**	2019 S$'000
Revenue	6	**7,809**	7,225
Other operating income	9	**2,777**	304
Consumables and medical supplies used		**(2,467)**	(1,140)
Other direct costs		**(218)**	(172)
Employee benefits expense		**(3,884)**	(2,322)
Depreciation of plant and equipment	15	**(491)**	(329)
Depreciation of right-of-use assets	19	**(2,207)**	(1,056)
Other operating expenses		**(4,302)**	(2,066)
Finance costs	10	**(261)**	(65)
Impairment loss on finance lease receivables	17	**(541)**	–
Impairment loss on investment in joint venture	20	**(1,558)**	–
Impairment loss on trade and other receivables	23	**(2,761)**	–
Share of loss of joint venture	20	**(1,093)**	–
(Loss)/Profit before tax	11	**(9,197)**	379
Income tax expense	12	**(75)**	(221)
(Loss)/Profit for the year		**(9,272)**	158
Other comprehensive income/(loss) after tax:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation income/(loss) on consolidation		**59**	(20)
Other comprehensive income/(loss) for the year, net of tax		**59**	(20)
Total comprehensive (loss)/income for the year		**(9,213)**	138
Basic and diluted (loss)/earnings per share (Singapore cents)	14	**(1.55)**	0.03

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 S$'000	2019 S$'000
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	15	**2,586**	1,383
Intangible assets	16	**316**	–
Deposits	21	**2,341**	689
Fair value through profit or loss instrument	18	**91**	–
Right-of-use assets	19	**5,419**	9,853
Investment in joint venture	20	**–**	–
Finance lease receivables	17	**111**	–
Trade and other receivables	23	**–**	–
		10,864	11,925
Current assets			
Inventories	22	**849**	261
Trade and other receivables	23	**3,281**	817
Cash and cash equivalents	24	**4,932**	12,651
Finance lease receivables	17	**564**	–
		9,626	13,729
Current liabilities			
Trade and other payables	25	**2,681**	656
Lease liabilities	26	**2,776**	2,235
Borrowings	27	**2,829**	–
Income tax payables		**86**	224
		8,372	3,115
Net current assets		**1,254**	10,614
Total assets less current liabilities		**12,118**	22,539
Non-current liabilities			
Lease liabilities	26	**3,307**	7,754
Trade and other payables	25	**337**	–
Borrowings	27	**2,844**	–
Deferred tax liability	28	**99**	41
		6,587	7,795
Net assets		**5,531**	14,744
EQUITY			
Capital and reserves			
Share capital	29	**1,037**	1,037
Share premium	30	**9,589**	9,589
Reserves	34	**2,204**	2,145
(Accumulated loss)/Retained earnings		**(7,299)**	1,973
Equity attributable to owners of the Company		**5,531**	14,744

The consolidated financial statements on pages 45 to 105 were approved and authorised for issue by the Board of Directors on 25 March 2021 and are signed on its behalf by:

Dr. Loh Teck Hiong	**Dr. Seow Swee How**
Chairman and Executive Director	*Chief executive officer and Executive Director*

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

			Reserves			
	Share capital	Share premium	Foreign currency translation reserve	Other reserve *(Note)*	Retained earnings (Accumulated loss)	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 January 2019	1,037	9,589	–	2,165	1,815	14,606
Profit for the year	–	–	–	–	158	158
Other comprehensive loss for the year	–	–	(20)	–	–	(20)
Total comprehensive (loss)/income for the year	–	–	(20)	–	158	138
At 31 December 2019	1,037	9,589	(20)	2,165	1,973	14,744
Loss for the year	–	–	–	–	(9,272)	(9,272)
Other comprehensive income for the year	–	–	59	–	–	59
Total comprehensive loss for the year	–	–	59	–	(9,272)	(9,213)
At 31 December 2020	**1,037**	**9,589**	**39**	**2,165**	**(7,299)**	**5,531**

Note: Other reserve represents the proceeds from issue of shares of Unified Front to a pre-IPO investor and the difference between the share capital of the Company issued pursuant to the reorganisation and the share capital of Unified Front acquired by the Company.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	2020 S$'000	2019 S$'000
Operating activities		
(Loss)/Profit before tax	**(9,197)**	379
Adjustments for:		
Share of loss of joint venture	**1,093**	–
Finance costs	**261**	65
Depreciation of plant and equipment	**491**	329
Depreciation of right-of-use assets	**2,207**	1,056
Interest income	**–**	(281)
Interest income from rental deposit	**(21)**	–
Interest income from finance lease receivables	**(21)**	9
Impairment losses on lease receivables	**541**	–
Impairment losses on investment in joint venture	**1,558**	
Impairment losses on trade and other receivables	**2,761**	
Written off of plant and equipment	**5**	–
Gain on disposal of plant and equipment *(Note A)*	**(9)**	1
Gain on disposal of right-of-use assets	**(1,061)**	–
Operating cash flows before working capital changes	**(1,392)**	1,540
Movements in working capital:		
Inventories	**(588)**	(63)
Trade and other receivables and deposits *(Note A)*	**(4,742)**	(638)
Trade and other payable	**2,362**	(215)
Cash (used in)/generated from operations	**(4,360)**	624
Income tax paid	**(155)**	(294)
Cash (used in)/generated from operating activities	**(4,515)**	330
Investing activities		
Purchase of plant and equipment	**(1,810)**	(1,172)
Acquisition of intangible assets	**(316)**	–
Advances to joint venture	**(1,994)**	–
Purchase of investment in convertible loan	**(91)**	–
Interest received	**–**	281
Repayments of finance lease receivables	**173**	–
Investment in joint venture	**(2,651)**	–
Cash used in investing activities	**(6,689)**	(891)
Financing activities		
Interest paid	**(261)**	(65)
Proceeds from borrowings	**6,000**	–
Repayment of borrowings	**(327)**	–
Repayment of lease liabilities	**(1,939)**	(831)
Cash generated from/(used in) financing activities	**3,473**	(896)
Net decrease in cash and cash equivalents	**(7,731)**	(1,457)
Cash and cash equivalents at beginning of the year	**12,651**	14,128
Effect of foreign exchange rate changes	**12**	(20)
Cash and cash equivalents at end of the year *(Note 24)*	**4,932**	12,651

Note A: During the year, sales proceeds of S$120,000 from a disposal of plant and equipment was outstanding and included in amount owing from joint venture.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Consolidated Statement of Cash Flows as cash flows from financing activities.

	Borrowings S$'000	Lease liabilities S$'000	Total S$'000
Balance at 1 January 2020	–	9,989	9,989
Changes from financing cash flows:			
– Interest paid	(69)	(192)	(261)
– Repayment of lease liabilities	–	(1,939)	(1,939)
– Proceeds from borrowings	6,000	–	6,000
– Repayment of borrowings	(327)	–	(327)
Total changes from financing cash flows	5,604	(2,131)	3,473
Non-cash changes:			
– New lease liabilities	–	5,558	5,558
– Disposal of lease liabilities	–	(7,525)	(7,525)
– Interest expense *(Note 10)*	69	192	261
	69	(1,775)	(1,706)
Balance at 31 December 2020	5,673	6,083	11,756

	Lease liabilities S$'000
Balance at 1 January 2019	–
Adoption of IFRS 16	1,715
Changes from financing cash flows:	
– Interest paid	(65)
– Repayment of lease liabilities	(831)
Total changes from financing cash flows	(896)
Non-cash changes:	
– New lease liabilities	9,105
– Interest expense *(Note 10)*	65
	9,170
Balance at 31 December 2019	9,989

See accompanying notes to consolidated financial statements.

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 the 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 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 head office and principal place of business of the Company in Singapore is at #17-01/02 Paragon (Office Tower), 290 Orchard Road, Singapore 238859. 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.

The Company is an investment holding company and the principal activities of the subsidiaries are disclosed in Note 33.

The consolidated financial statements for the year ended 31 December 2020 were authorised on 25 March 2021 for issue by the Board.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements 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 Governing the Listing of Securities on the Stock Exchange (the"Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements 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

New and amended IFRS Standards that are effective for the current year

Impact of the initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

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, except as disclosed below.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment—Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts—Cost of Fulfilling a Contract*

Except as described below, the directors consider that the application of the other new and revised standards and amendments is unlikely to have a material impact on the financial position of the Group in the future period.

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

3 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

New and revised IFRS Standards in issue but not yet effective (Continued)

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

4 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements 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 these 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.

In addition, for financial reporting purposes, fair value adjustments are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value adjustments are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are observable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in joint ventures (Continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the joint venture is disposed of.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

All recognised financial assets that are within the scope of IFRS 9 (including trade and other receivables, finance lease receivables and cash and cash equivalents) are subsequently measured at amortised costs.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “other operating income” line item.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Foreign exchange loss, net" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating expenses" line item and for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating expenses" line item.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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

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

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract or invoice and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group or individual basis.);
- Past-due status;
- Nature or industry of debtors; and
- External credit ratings where available.

The grouping is reviewed periodically by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 months ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and the estimated cost of asset retirement. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items of plant and equipment, less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Intangible assets

Software under development are carried at cost, less any impairment loss. Cost includes professional fees and other directly attributable costs of developing the software for its intended use. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. It is not amortised until substantially all the activities necessary to prepare the software under development for its intended use are completed.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessee (Continued)

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. 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessee (Continued)

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 leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease 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 both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions and translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore Dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 sale of medication and skincare products is recognised at the point in time when the patient has obtained the control of the medication and skincare products.

Revenue from the sales of healthcare products ("Sales of Healthcare Products") is recognised at the point in time when the control of the goods has 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Retirement benefits costs

Payments to the Central Provident Fund ("CPF") in Singapore and Mandatory Provident Fund ("MPF") in Hong Kong as defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period that related services is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Cash and Cash Equivalents in the Consolidated Statement of Cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimates, which are dealt with below).

Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Impact on COVID-19

The impact from COVID-19 pandemic has continued to impact certain operations of the Group during the year. Measures implemented by the government including travel restrictions, lockdowns and safe distancing has impacted the Group's business operations which include delay in shipment of equipment as well as the moving in of a tenant and also the demand of services in Hong Kong. These challenges faced by the Group resulted in the following key judgements and estimates relating to the valuation of receivables and the carrying amount of investment in a joint venture taking into consideration available current market information and conditions.

i) Impairment of trade and other receivables and finance lease receivables

The Group records any expected credit losses on its trade and other receivables and finance lease receivables based on the likelihood of default. During the year, the Group experienced delays in payments and carried out a review of the recoverability of trade and other receivables and finance lease receivables taking into consideration the profile of debtors, period that the amounts were past due, as well as results of any collection efforts to determine if any credit loss allowance is required. This led to the recognition of impairment loss of other receivables of $767,000 and finance lease receivables of S$541,000 (2019: S$Nil) in profit or loss as management determined that these are credit impaired.

The carrying amounts of the Group's trade and other receivables and finance lease receivables at the end of the reporting period are disclosed in Notes 23 and 17.

ii) Impairment of carrying amount of investment in joint venture and amount owing from joint venture

The Group has a Joint Venture in Hong Kong which operates a chain of clinics. Due to the pandemic, not all the clinics are in operations as at end of the reporting period and actual sales from the operating clinics has been below expectations. For the year ended 31 December 2020, the joint venture Group has incurred a loss and current liabilities exceeded its current assets. The business of the joint venture continues to be severally impacted by COVID-19 safety measures in Hong Kong. Given the uncertainty surrounding the lifting of safety restrictions and the additional cash flow requirements of the joint venture, management has performed an assessment which led to an impairment of $1,994,000 on the advances to the joint venture and S$1,558,000 on the carrying amount of the investment.

6 REVENUE

Revenue analysis

Revenue represents the fair value of 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:

	2020 **S$'000**	2019 S$'000
Types of services:		
Aesthetic Services	**220**	124
Consultation Services	**1,328**	1,843
Prescription and Dispensing Services	**1,949**	2,110
Treatment Services	**1,835**	2,499
Other services *(Note 1)*	**692**	649
Trading Sales	**1,785**	–
Total	**7,809**	7,225
Timing of revenue recognition:		
At a point in time	**4,426**	2,759
Over time	**3,383**	4,466
Total	**7,809**	7,225

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

7 OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on their services, and has two reportable segments as follows:

i. Healthcare service; and

ii Trading sales

Healthcare service relates to the consultation services, prescription and dispensing services and treatment services. Healthcare service focusing on provision of dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures.

Trading sales relates to supplies of medical products including hand sanitiser, disposal medical mask, supplements products based on stem cells and other medical products.

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Information is reported to the executive directors of the Company, being the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews the segment performance based on operating profit or loss which is similar to the accounting profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expense and income comprise of expense and other sources of income which are not directly attributable to the identified segments.

Intersegment sales and transfers are on terms' agreement in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

7 OPERATING SEGMENTS (CONTINUED)

These transfers are eliminated on consolidation.

Segment revenue and profits/segment assets and liabilities

The following is an analysis of the Group's revenue and results by reportable segments:

	Healthcare service		Trading sales		Adjustments and eliminations		Total	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000	**2020 S$'000**	2019 S$'000	**2020 S$'000**	2019 S$'000
Revenue								
Revenue from external customers	**6,024**	7,225	**1,785**	–	**–**	–	**7,809**	7,225
Inter-segment revenues	**555**	89	**211**	–	**(766)**	(89)	**–**	–
Segment revenue	**6,579**	7,314	**1,996**	–	**(766)**	(89)	**7,809**	7,225
Other direct costs and cost of consumable and medical supplies used	**(2,152)**	(1,401)	**(1,224)**	–	**691**	89	**(2,685)**	(1,312)
Gross profit	**4,427**	5,913	**772**	–	**(75)**	–	**5,124**	5,913
Results								
Other operating income	**580**	304	**2,197**	–	**–**	–	**2,777**	304
Employee benefits expenses	**(3,359)**	(2,322)	**(525)**	–	**–**	–	**(3,884)**	(2,322)
Depreciation of ROU assets, plant and equipment	**(1,499)**	(1,385)	**(1,199)**	–	**–**	–	**(2,698)**	(1,385)
Other operating expenses	**(3,684)**	(2,066)	**(618)**	–	**–**	–	**(4,302)**	(2,066)
Impairment loss on lease receivables	**–**	–	**(541)**	–	**–**	–	**(541)**	**–**
Impairment loss on investment in joint venture	**(1,558)**	–	**–**	–	**–**	–	**(1,558)**	–
Impairment loss on trade and other receivables	**(1,994)**	–	**(767)**	–	**–**	–	**(2,761)**	–
Finance costs	**(139)**	(65)	**(122)**	–	**–**	–	**(261)**	(65)
Share of profit/(loss) of joint venture	**(1,093)**	–	**–**	–	**–**	–	**(1,093)**	–
(Loss)/Profit before tax							**(9,197)**	379
Income tax							**(75)**	(221)
(Loss)/Profit for the year							**(9,272)**	158

7 OPERATING SEGMENTS (CONTINUED)

Segment revenue and profits/segment assets and liabilities (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of results of joint venture, other operating income, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

	Healthcare service		Trading sales		Adjustments and eliminations		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Assets:								
Software development	**50**	–	**266**	–	**–**	–	**316**	–
Plant and equipment	**1,936**	1,383	**650**	–	**–**	–	**2,586**	1,383
Right-of-use assets	**4,292**	9,853	**1,127**	–	**–**	–	**5,419**	9,853
Other segment assets	**33,586**	39,014	**12,437**	–	**(31,854)**	(24,596)	**12,169**	14,418
Total assets	**39,864**	50,250	**12,480**	–	**(31,854)**	(24,596)	**20,490**	25,654
Liabilities:								
Segment liabilities	**(23,848)**	(30,401)	**(16,539)**	–	**25,428**	19,491	**(14,959)**	(10,910)
Total liabilities	**(23,848)**	(30,401)	**(16,539)**	–	**25,428**	19,491	**(14,959)**	(10,910)

7 OPERATING SEGMENTS (CONTINUED)

Geographical information

The Group's revenue from external customers was mainly derived from its operation in Singapore and Hong Kong, and the non-current assets of the Group were located in Singapore and Hong Kong as at 31 December 2019 and 2020.

	2020 **S$'000**	2019 S$'000
Revenue from external customers:		
Singapore	**6,024**	7,225
Hong Kong	**1,720**	–
Others	**65**	–
	7,809	7,225

The revenue information above is based on the locations of the customers

	2020 **S$'000**	2019 S$'000
Non current assets		
Singapore	**4,721**	11,925
Hong Kong	**6,143**	–
	10,864	11,925

Information about major customers

For the financial year ended 31 December 2020, the revenue from 1 (2019: Nil) major customers of the Group amounted to approximately S$1,124,000 (2019: Nil) of the total revenue from sales of healthcare products.

There was no revenue from patients individually contributing over 10% of the total revenue of the Group for the years ended 31 December 2020 and 2019.

An analysis of revenue from healthcare solutions and insurance companies which paid on behalf of aggregate number of patients and contributed over 10% of the Group's total revenue for the year is as follows:

	2020 **S$'000**	2019 S$'000
Healthcare Solutions Company A	**996**	897

Other than Healthcare Solutions Company A, there was no revenue from healthcare solutions and insurance companies which paid on behalf of aggregate number of patients individually contributing over 10% of the total revenue of the Group for the years ended 31 December 2020 and 2019.

8 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' and Chief Executive's emoluments

The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as directors of the entities comprising the Group prior to becoming the directors of the Company) by the entities comprising the Group are as follows:

	Fee S$'000	Salaries and allowances S$'000	Contributions to retirement benefit scheme S$'000	Total S$'000
For the year ended 31 December 2020				
Executive Directors *(Note c)*				
Dr. Loh Teck Hiong	**–**	**600**	**23**	**623**
Mr. Liu Yang (appointed on 23 April 2020)	**–**	**45**	**–**	**45**
Dr. Seow Swee How (appointed on 8 June 2020) *(Note a)*	**122**	**131**	**10**	**263**
Dr. Ee Hock Leong (resigned on 8 June 2020) *(Note b)*	**423**	**–**	**–**	**423**
Dr. Kwah Yung Chien Raymond (resigned on 8 June 2020) *(Note b)*	**312**	**–**	**–**	**312**
Independent Non-Executive Directors *(Note d)*				
Mr. Cheung Kiu Cho Vincent	**21**	**–**	**–**	**21**
Mr. Ong Kian Guan	**32**	**–**	**–**	**32**
Mr. Wang Ning (resigned on 31 March 2020)	**5**	**–**	**–**	**5**
Mr. Yang Zhangxin (appointed on 8 June 2020)	**12**	**–**	**–**	**12**
	927	**776**	**33**	**1,736**
For the year ended 31 December 2019				
Executive Directors *(Note c)*				
Dr. Loh Teck Hiong	–	340	17	357
Dr. Ee Hock Leong	–	240	17	257
Dr. Kwah Yung Chien Raymond *(Note b)*	–	240	17	257
Independent Non-Executive Directors *(Note d)*				
Mr. Cheung Kiu Cho Vincent	22	–	–	22
Mr. Ong Kian Guan	31	–	–	31
Mr. Wang Ning	22	–	–	22
	75	820	51	946

Notes:

(a) Dr. Seow Swee How was designated as the chief executive officer of the Company on 8 June 2020.

(b) Dr. Ee Hock Leong and Dr. Kwah Yung Chien Raymond resigned as executive directors of the Company with the effect from 8 June 2020. Thereafter, they did not hold any directorship nor key management positions

(c) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company.

(d) The independent non-executive directors' emoluments were for their services as directors of the Company.

None of the directors of the Company waived or agreed to waive any emoluments during the both reporting periods.

8 DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Employees' emoluments

The five highest paid individuals included the four (2019: three) executive directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining one (2019: two) individuals were as follows:

	2020 S$'000	2019 S$'000
Salaries, bonuses and other benefits	**1,855**	319
Contributions to retirement benefits scheme	**35**	10
	1,890	329

The five highest paid individuals including the directors of the Company whose remuneration were within the following bands:

	2020	2019
Nil to HK$1,000,000	**–**	2
HK$1,000,001 to HK$1,500,000	**1**	3
HK$1,500,001 to HK$2,000,000	**2**	–
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**–**	–
HK$3,500,001 to HK$4,000,000	**1**	–
	5	5

No emoluments were paid by the Group to the five highest paid individuals, including directors of the Company, as an inducement to join or upon joining the Group.

9 OTHER OPERATING INCOME

	2020 S$'000	2019 S$'000
Interest income	–	281
Interest income on rental deposits	21	9
Interest income on finance lease	21	–
Gain on disposal of right-of-use assets	1,061	–
License Fee	427	–
Government grants	570	14
Others rental income	677	–
	2,777	304

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 2020. Following with the outbreak of COVID-19, 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 immediate 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.

The gain on disposal of right-of-use assets arose due to a lease novated to joint venture as well as the granting of the use of certain leased space to external parties with similar tenure at higher rates than the head lease.

10 FINANCE COSTS

	2020 S$'000	2019 S$'000
Interest expense on borrowings	69	65
Interest expense on lease liabilities	192	–
	261	65

11 (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been arrived at after charging:

	2020 **S$'000**	2019 S$'000
Audit fees (included in other operating expenses)	**164**	152
Administrative fees (included in other operating expenses)	**279**	296
Net foreign currency exchange loss (included in other operating expenses)	**454**	204
Professional and consulting fees (included in other operating expenses)	**2,604**	1,047
Government Rate (included in other operating expenses)	**78**	–
Research fees (included in other operating expenses)	**92**	–
Travelling Expenses (included in other operating expenses)	**113**	46
Employee benefits expense:		
Directors' remunerations *(Note 8)*		
— Singapore	**1,736**	946
— Hong Kong	**248**	–
Other staff costs		
— salaries, bonus and other benefits	**1,737**	1,223
— contributions to retirement benefits scheme	**163**	153

12 INCOME TAX EXPENSE

	2020 **S$'000**	2019 S$'000
Tax expense comprises:		
Singapore and Hong Kong corporate income tax ("CIT")		
— Current tax	**17**	204
	17	204
Deferred tax expense *(Note 28)*	**58**	17
	75	221

12 INCOME TAX EXPENSE (CONTINUED)

Singapore CIT is calculated at 17% (2019: 17%) of the estimated assessable profit eligible for CIT rebate 25%, capped at S$15,000 for the Year of Assessment 2020 and no eligible from Year of Assessment 2021 onwards. Singapore incorporated companies can enjoy 75% tax exemption on the first S$10,000 (2019: S$10,000) of normal chargeable income and a further 50% tax exemption on the next S$190,000 (2019: S$190,000). of normal chargeable income.

Hong Kong corporate tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profit for the year.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2020 **S$'000**	2019 S$'000
Profit before taxation	**(9,197)**	379
Tax at applicable tax rate of 17% (2019: 17%)	**(1,563)**	64
Non-deductible items	**609**	87
Effect of unutilised tax losses not recognised	**977**	161
Effect of tax concessions and tax exemptions	**(19)**	(91)
Others	**11**	–
Income tax expense	**75**	221

Subject to the agreement by the tax authority at the end of the reporting period, the Group has unutilised tax losses of approximately S$4,800,000 (2019: S$945,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

13 DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: S$Nil).

14 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

	2020	2019
(Loss)/Profit attributable to the owners of the Company (S$'000)	**(9,272)**	158
Weighted average number of ordinary shares in issue ('000)	**600,000**	600,000
Basic and diluted (loss)/earnings per share (Singapore cents)	**(1.55)**	0.03

For the years ended 31 December 2019 and 2020, no separated diluted earnings per share information has been presented as there was no dilutive potential ordinary shares outstanding.

15 PLANT AND EQUIPMENT

	Medical equipment S$'000	Computer and office equipment S$'000	Leasehold improvements S$'000	Leasehold improvements in progress S$'000	Total S$'000
Cost:					
At 1 January 2019	995	76	185	189	1,445
Reclassification	–	–	189	(189)	–
Additions	124	83	965	–	1,172
Written off	–	(3)	–	–	(3)
At 31 December 2019	1,119	156	1,339	–	2,614
Additions	1,103	94	613	–	1,810
Disposals	(120)	–	–	–	(120)
Written off	(436)	(12)	(140)	–	(588)
At 31 December 2020	1,666	238	1,812	–	3,716
Accumulated Depreciation:					
At 1 January 2019	696	53	155	–	904
Provided for the year	99	24	206	–	329
Written off	–	(2)	–	–	(2)
At 31 December 2019	795	75	361	–	1,231
Provided for the year	196	30	265	–	491
Disposals	(9)	–	–	–	(9)
Written off	(431)	(12)	(140)	–	(583)
At 31 December 2020	551	93	486	–	1,130
Carrying Values:					
At 31 December 2020	1,115	145	1,326	–	2,586
At 31 December 2019	324	81	978	–	1,383

The above items of plant and equipment are depreciated on a straight-line basis after taking into account of their residual values at the following rates per annum:

Medical equipment	20% to 33%
Computer and office equipment	20% to 33%
Leasehold improvements	Shorter of 5 years or over the lease term

16 INTANGIBLE ASSETS

	Software under development S$'000
Cost:	
At 1 January 2019 and 31 December 2019	–
Additions	316
At 31 December 2020	316

17 FINANCE LEASE RECEIVABLES

	2020 S$'000	2019 S$'000
Amounts receivable under finance leases:		
Year 1	**963**	–
Year 2	**276**	–
Undiscounted lease payments	**1,239**	–
Less: Unearned finance income	**(23)**	–
Present value of lease payment receivable	**1,216**	–
Net impairment loss allowance	**(541)**	–
Net investment in the lease	**675**	–
Undiscounted lease payments analysed as:		
Recoverable within 12 months	**963**	–
Recoverable after 12 months	**276**	–
	1,239	–
Net investment in the lease analysed as:		
Recoverable within 12 months	**564**	–
Recoverable after 12 months	**111**	–
	675	–

17 FINANCE LEASE RECEIVABLES (CONTINUED)

The following table presents the amounts included in profit or loss:

	2020 **S$'000**	2019 S$'000
Gain on disposal of right-of-use assets	**718**	–

The Group entered into finance leasing arrangements as a lessor for certain office space to its tenants. The average term of finance leases entered into is 2 years.

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximately 3% (2019: Nil) per annum.

Management estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. In determining the expected credit losses of these receivables, management taking into account the historical default experience and the future prospects of the industries in which the lessees operate, as appropriate, in estimating the probability of default of each of these receivables occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

The net impairment loss allowance that has been recognised for a finance lease receivable that has been assessed individually and is past due with indicators of impairment resulting in significant increase in credit risk.

18 FAIR VALUE THROUGH PROFIT OR LOSS INSTRUMENT

The convertible loan notes were purchased in December 2020. The notes together with all accrued and unpaid interest will be convert into the highest class of shares of the investee on the maturity date. The maturity date is 24 months following the drawndown of the investment.

The convertible loan notes are determined to be unquoted in an active markets with the fair value of the convertible notes of initial recognition approximating to be the transaction price.

19 RIGHT-OF-USE ASSETS

The Group leases several leasehold office and clinics. The average lease term is 3 to 5 years (2019: 3 to 5 years).

	Leasehold office and clinics S$'000
Group	
Cost:	
At 1 January 2019	1,802
Additions	9,107
At 1 January 2020	10,909
Additions	5,558
Disposals	(8,333)
At 31 December 2020	8,134
Accumulated depreciation:	
At 1 January 2019	–
Depreciation	1,056
At 1 January 2020	1,056
Depreciation	2,207
Disposals	(526)
Exchange difference	(22)
At 31 December 2020	2,715
Carrying amount:	
At 31 December 2020	5,419
At 31 December 2019	9,853

20 INVESTMENT IN JOINT VENTURE

	2020 S$'000	2019 S$'000
Cost of investment	**2,651**	–
Share of loss	**(1,093)**	–
Less: Less allowance on investment in joint venture	**(1,558)**	–
	–	–

A review of the recoverable amount of the joint venture led to the recognition of an impairment loss allowance of S$1,558,000 (2019: S$Nil).

Details of joint venture:

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%

The above investment is accounted as a joint venture as the shareholders exercise joint control pursuant to the shareholders agreement.

The above joint venture is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 4.

The summarised financial information below represents amounts in joint ventures audited financial statements prepared in accordance with IFRS Standards.

	2020 S$'000
Current assets	**3,499**
Non-current assets	**8,063**
Current liabilities	**3,782**
Non-current liabilities	**4,715**
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	**723**
Current financial liabilities (excluding trade and other payables and provisions)	**1,524**

20 INVESTMENT IN JOINT VENTURES (CONTINUED)

	2020 **S$'000**
Revenue	**350**
Loss for the year, representing total comprehensive loss for the year	**(2,144)**
The above profit (loss) for the year include the following:	
Depreciation and amortisation	**1,289**
Employee benefits expense	**246**
Interest expense on lease liabilities	**157**

21 DEPOSITS

	2020 **S$'000**	2019 S$'000
Rental deposits	**1,076**	689
Deposit from a third party [1]	**1,265**	–
	2,341	689

(1) This is due to the medical equipment amounting to S$1,265,000, which has not been delivered as at year end.

22 INVENTORIES

	2020 **S$'000**	2019 S$'000
Consumables and medical supplies	**849**	261

23 TRADE AND OTHER RECEIVABLES

	2020 S$'000	2019 S$'000
Trade receivables	**2,362**	532
Deposits	**650**	11
Prepayment	**141**	193
Other tax receivables	**–**	52
Other receivables	**895**	29
Less: Loss allowance on other receivables	**(767)**	–
Amount owing from joint venture – non-current	**1,994**	–
Less: Loss allowance on amount owing from joint venture	**(1,994)**	–
	3,281	817

The patients of the Group usually settle their payments by cash, Network for Electronic Transfer ("NETS"), credit cards and claiming from healthcare solutions and 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 healthcare solutions and insurance companies, the Group allowed a credit period ranging from 45 to 90 days to healthcare solutions and insurance companies and it would generally grant payment terms of 90 days if payment terms are not specified in the contracts. The average credit period trade receivables from sales of healthcare products is 90 days.

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.

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2020 **S$'000**	2019 S$'000
Current	**1,696**	452
0–30 days	**111**	80
31–60 days	**15**	–
61–90 days	**495**	–
over 90 days	**45**	–
	2,362	532

Included in the Group's trade receivables balance were debtors with a carrying amount of S$666,000 (2019: S$80,000) which were past due at the end of reporting period for which the Group had not provided as there had not been a significant change in create quality and the amounts were still considered recoverable.

The Group's remaining trade receivables were not past due nor impaired at the end of each reporting period and were due from debtors who do not have historical default of payments.

The following table shows the movement in 12-month ECL that has been recognised for other receivables that have been assessed individually and are past due with indicators of impairment resulting in significant increase in credit risk.

	S$'000
Balance as at 1 January 2019 and 31 January 2019	–
Changes in loss allowance	2,761
Balance as at 31 December 2020	2,761
Analysed by:	
Non-current	–
Current	3,281
	3,281

24 CASH AND CASH EQUIVALENT

As at 31 December 2020, certain balances amounting to S$311 (2019: S$8,168,000) which carry interest at prevailing market rate of 0.01% (2019: 0.96%) per annum, the remaining balances do not carry interest.

25 TRADE AND OTHER PAYABLES

	2020 S$'000	2019 S$'000
Trade payables	**675**	173
Accrued legal and professional fees	**561**	173
Accrued operating expenses	**674**	132
Accrued staff cost	**65**	93
Accrued director fees	**44**	–
Deferred revenue	**197**	52
Amount due to a director	**273**	–
Other tax payables	**59**	–
Other payables	**470**	33
	3,018	656

Deferred revenue represents upfront receipt from customers.

For aesthetic services sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the package, the transaction price received at that point by the Group is recognised as deferred revenue until the goods have been delivered to the customer.

	2020 S$'000	2019 S$'000
At the beginning of the Period	**52**	–
Receipt from customers	**420**	176
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**(36)**	–
Revenue recognised during the period that was related to receipt from customers in the same period	**(239)**	(124)
At the end of the period	**197**	52

25 TRADE AND OTHER PAYABLES (CONTINUED)

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:

	2020 **S$'000**	2019 S$'000
0–30 days	**469**	117
31–60 days	**78**	14
61–90 days	**29**	42
Over 90 days	**99**	–
	675	173
Analysed as:		
Non-current	**337**	–
Current	**2,681**	656
	3,018	656

26 LEASE LIABILITIES

Lease liabilities (Disclosure required by IFRS 16)

	2020 **S$'000**	2019 S$'000
Maturity analysis:		
Year 1	**2,926**	2,495
Year 2	**1,560**	2,732
Year 3	**892**	2,048
Year 4	**598**	1,817
Year 5	**408**	1,579
	6,384	10,671
Less: Unearned interest	**(301)**	(682)
	6,083	9,989
Analysed as:		
Current	**2,776**	2,235
Non-current	**3,307**	7,754
	6,083	9,989

27 BORROWINGS

	2020 **S$'000**	2019 S$'000
Secured borrowing at amortised cost		
Bank loans	**5,673**	–
Non-current	**2,844**	–
Current	**2,829**	–

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:

	2020 %	2019 %
Bank loans	**3.00-4.50**	–

During the year, the Group breached a financial covenant for a bank loan from a financial institution amounting to S$2,673,494. Accordingly, the amount was classified as current liabilities. Subsequent to year end, the Group has obtained a waiver from financial institution relating to the breach till 29 July 2022.

28 DEFERRED TAX LIABILITY

	Accelerated tax depreciation S$'000
At 1 January 2019	24
Charge to profit or loss *(Note 12)*	17
At 31 December 2019	41
Charge to profit or loss *(Note 12)*	58
At 31 December 2020	99

29 SHARE CAPITAL

Details of the share capital are disclosed as follows:

	Number of shares	Par value HK$	Share capital HK$'000
Authorised share capital of the Company:			
At 1 January 2019, 31 December 2019 and 31 December 2020	10,000,000,000	0.01	100,000

	Number of shares	Share capital S$'000
Issued and fully paid shares of the Company:		
At 1 January 2019, 31 December 2019 and 31 December 2020	600,000,000	1,037

30 SHARE PREMIUM

Details of the share premium are disclosed as follows:

	Share premium S$'000
Premium arising on issue of equity shares	
At 1 January 2019, 31 December 2019 and 31 December 2020	9,589

The amounts of the Company's share premium and the movements therein during the financial years ended 31 December 2020 and 31 December 2019 are presented in the consolidated statement of changes in equity.

Share premium represents the excess of consideration for the shares issued over the aggregate per value.

31 RETIREMENT BENEFITS SCHEME

As prescribed by the Central Provident Fund ("CPF") Board of Singapore and Mandatory Provident Fund ("MPF") in Hong Kong, the Group's employees employed in Singapore and Hong Kong who are Singapore Citizens, Hong Kong Citizens, or Permanent Residents are required to join the CPF and MPF scheme. From 1 January 2017 onwards, the Group's contribution rates of the eligible employees' salaries remain the same, with each employee's qualifying salary capped at S$6,000 and HK$1,500 per month.

The total cost of S$198,000 for the year ended 31 December 2020 (2019: S$204,000) charged to the consolidated statement of profit or loss and other comprehensive income represents contributions paid or payable for retirement benefit scheme by the Group.

32 RELATED PARTY TRANSACTIONS

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

Compensation of key management personnel

	2020 **S$'000**	2019 S$'000
Salaries, performance bonus and other benefits	**2,446**	1,067
Contributions to retirement benefits scheme	**50**	85
	2,496	1,152

The Group has significant transaction with related party on terms agreed between the parties are follow:		
Disposal of fixed assets to joint venture	**120**	–

33 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of Company	Place of incorporation/ operation and date of incorporation	Attributable equity interests of the Group and the respective voting right held by the Group as at		Issued and fully paid share capital as at date of this report	Principal activities
		31 December 2020	31 December 2019		
Directly held					
Unified Front Limited	BVI/Singapore 8 December 2016	**100%**	100%	Ordinary shares of US$1,542,506 (equivalent to approximately S$2,164,000)	Investment holding.
RMH (Hong Kong) Holdings Limited	Hong Kong/Hong Kong 2 October 2018	**100%**	100%	Ordinary shares of HK$10,000,000 (equivalent to approximately S$1,752,000)	Provision of medical aesthetic services and sale of skin care products and was remained dormant during the year.
Indirectly held					
Dermatology & Surgery Clinic Pte Ltd	Singapore/Singapore 5 September 2013	**100%**	100%	Ordinary shares of S$900	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures.
Dermatology & Surgery Clinic (Orchard) Pte Ltd	Singapore/Singapore 20 January 2014	**100%**	100%	Ordinary shares of S$300	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures.
Dermatology & Surgery Clinic (Shenton) Pte Ltd	Singapore/Singapore 6 February 2014	**100%**	100%	Ordinary shares of S$300	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures.
RMH Family Clinic Pte Ltd	Singapore/Singapore 6 March 2018	**100%**	100%	Ordinary shares of S$300	Provision of community dermatology services for less complicated dermatological conditions and non-invasive medical aesthetic treatments.
DS Skin & Aesthetics Clinic Pte Ltd	Singapore/Singapore 16 July 2020	**100%**	–	Ordinary shares of S$300	Specialised Medical Services (Including Day Surgical Centers).
RMH Imaging Limited	Hong Kong/Hong Kong 5 August 2020	**100%**	–	Ordinary shares of HK$1,000 (equivalent to approximately S$180)	Provision of diagnostic & screening service offered through imaging machines, including but not limited to Computed Tomography Scanner (CT), Magnetic Resonance Imaging (MRI), Ultrasounds (US) and Mammography (MG)

33 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of Company	Place of incorporation/ operation and date of incorporation	Attributable equity interests of the Group and the respective voting right held by the Group as at		Issued and fully paid share capital as at date of this report	Principal activities
		31 December 2020	31 December 2019		
DS Regenerative Medicine Limited	Hong Kong/Hong Kong 8 June 2020	**100%**	–	Ordinary shares of HK$1,000 (equivalent to approximately S$175)	Trading of health supplement and skin care products
DES (Shenzhen) Enterprise Development Co., Ltd	Shen Zhen/China 22 October 2020	**100%**	–	–	Trading of health supplement and skin care products

Unified Front Limited and RMH (Hong Kong) Holdings Limited are directly held by the Company. All other subsidiaries are indirectly held by the Company. All entities comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

None of the subsidiaries had issued any debt securities at the end of the year.

34 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2020 S$'000	2019 S$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investment in subsidiaries	**5,105**	5,105
Current assets		
Amount due from subsidiaries	**6,299**	8,599
Other receivables	**42**	28
Cash and cash equivalents	**25**	82
	6,366	8,709
Current liabilities		
Amount due to subsidiaries	**5,819**	3,992
Other payables and accruals	**124**	65
	5,943	4,057
Net current assets	**423**	4,652
Net assets	**5,528**	9,757
EQUITY		
Capital and reserves		
Share capital	**1,037**	1,037
Reserves	**4,491**	8,720
Equity attributable to owners of the Company	**5,528**	9,757

34 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

The movement of the Company's capital and reserves is as follows:

	Share capital S$'000	Share premium S$'000	Other reserves S$'000	Accumulated loss S$'000	Total S$'000
At 1 January 2019	1,037	9,589	3,353	(3,733)	10,246
Loss and total comprehensive expense for the year	–	–	–	(489)	(489)
At 31 December 2019	1,037	9,589	3,353	(4,222)	9,757
Loss and total comprehensive expense for the year	–	–	–	(4,229)	(4,229)
At 31 December 2020	1,037	9,589	3,353	(8,451)	5,528

35 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged in 2020 and 2019.

The capital structure of the Group represents borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends and return of capital to shareholders.

36 FINANCIAL INSTRUMENTS

Categories of financial instruments

	2020 S$'000	2019 S$'000
Financial assets		
Financial assets at amortised cost	**9,148**	13,912
Fair value through profit or loss instrument	**91**	–
Finance lease receivables	**675**	–
Financial liabilities		
Financial liabilities at amortised cost	**8,494**	604
Lease liabilities	**6,083**	9,989

Financial risk management objectives and policies

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group does not have any exposure interest rate risk. The Group's profit and other comprehensive income are not affected by the changes in interest rates as the interest-bearing instruments carry fixed interest.

The Group currently does not have any interest rate hedging policy. However, management of the Group closely monitors its exposure to interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

Currency risk

As at 31 December 2020 and 2019, there are no significant balances denominated in other currencies.

36 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has delegated its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The finance team uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficultly and the Group has no realistic prospect of recovery.	Amount is written off

36 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2020						
Trade receivables	*23*	(1)	Lifetime ECL (simplified approach)	2,343	–	2,362
Other receivables	*23*	(2)	12-month ECL/Lifetime ECL	2,160	2,032	128
Amount owing from joint venture	*23*	(2)	12-month ECL/Lifetime ECL	1,994	(1,994)	–
Finance lease receivables	*17*	(2)	Lifetime ECL	1,216	(541)	675
2019						
Trade receivables	*23*	(2)	Lifetime ECL (simplified approach)	532	–	532
Other receivables	*23*	(2)	12-month ECL	29	–	29

(1) The Group determines the expected credit losses on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(2) The Group determines that these receivables are not past due and have low risk of default, apart from those receivables which credit risk is assessed to have increased significantly since initial recognition.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions.

Top 3 corporate customers of the Group accounts for approximately 78% of the trade receivables for the year ended 31 December 2020 (2019: 56.8%). Management assesses and monitors credit risk and debt collection efforts on a regular basis. Allowance for potential credit losses is adjusted when necessary.

Liquidity risk

The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on hand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disaster.

36 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

Liquidity tables

	Weighted average effective interest rate %	Within 1 year S$'000	2 to 5 years S$'000	Total undiscounted cash flows S$'000	Carrying amount at the end of the reporting date S$'000
At 31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	N/A	2,681	337	3,018	3,018
Lease liabilities	2.66-3.00	2,926	3,458	6,384	6,083
Borrowings	3.00-4.50	3,119	3,041	6,160	5,673
At 31 December 2019					
Non-derivative financial liabilities					
Trade and other payables	N/A	604	–	604	604
Lease liabilities	2.66-3.00	2,495	8,176	10,671	9,989

Subsequent to the year ended 31 December 2020, the Group refinanced by issuing additional new shares to increase its working capital (Note 38).

Fair value

Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values.

37 COMMITMENTS

	Group	
	2020	2019
	S$'000	S$'000
Commitments for the software and development cost	**708**	-

38 SUBSEQUENT EVENTS

Subsequent to the year ended 31 December 2020, the Group issued 120,000,000 new Shares for approximately HK$26,595,000 (equivalent to approximately S$4,566,000) on 12 January 2021.

FINANCIAL SUMMARY

	For the year ended 31 December			
	2017	2018	2019	**2020**
	S$'000	S$'000	S$'000	**S$'000**
RESULTS				
Revenue	7,054	6,987	7,225	**7,809**
Profit (loss) before taxation	(90)	2,131	379	**(9,197)**
Income tax expenses	(380)	(280)	(221)	**(75)**
Profit (loss) for the year	(470)	1,851	158	**(9,272)**

	As at 31 December			
	2017	2018	2019	**2020**
	S$'000	S$'000	S$'000	**S$'000**
ASSETS AND LIABILITIES				
Total assets	13,787	15,813	25,654	**20,490**
Total liabilities	1,032	1,207	10,910	**14,959**
Total equity attributable to owners of the Company	12,755	14,606	14,744	**5,531**