



Condensed Interim Financial Statements for the  
Six Months Ended 30 June 2022

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**A Condensed interim consolidated statement of profit or loss and other comprehensive income**

	<b>Group</b>		
	<b>6 months ended 30 June</b>		<b>+/(-) Increase/</b>
	<b>2022</b>	<b>2021</b>	<b>(Decrease)</b>
	S\$'000	S\$'000	%
<b>Revenue</b>	26,238	27,319	(4.0)
Cost of sales	<u>(8,660)</u>	<u>(8,518)</u>	1.7
<b>Gross profit</b>	17,578	18,801	(6.5)
Other operating income	141	433	(67.4)
Selling and marketing expenses	(8,470)	(8,603)	(1.5)
Administrative expenses	(8,377)	(9,154)	(8.5)
Finance income	1,180	1,078	9.5
Finance costs	<u>(75)</u>	<u>(115)</u>	(34.8)
<b>Profit before income tax from operations *</b>	1,977	2,440	(19.0)
Share of profit of associate	<u>260</u>	<u>287</u>	(9.4)
<b>Profit before income tax</b>	2,237	2,727	(18.0)
Income tax expense	<u>(343)</u>	<u>(233)</u>	47.2
<b>Profit for the financial period</b>	<u>1,894</u>	<u>2,494</u>	(24.1)
<b>Other comprehensive loss for the financial period, net of tax:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation <sup>^</sup>	<u>(1,550)</u>	<u>(661)</u>	>100.0
<b>Total comprehensive income for the financial period</b>	<u><u>344</u></u>	<u><u>1,833</u></u>	(81.2)

<sup>^</sup>Foreign currency translation classified as other comprehensive loss and presented in the foreign currency translation reserve in equity, represents the exchange differences arising from:

- translation of assets and liabilities of foreign operations to Singapore dollars at exchange rates at the reporting date; and
- translation of income and expenses of foreign operations to Singapore dollars at exchange rates at the dates of the transactions.

When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

\*In order to provide more clarity to readers, the Group has separately presented its share of profit of associate.

**A Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

	Group		+ / (-) Increase/ (Decrease) %
	6 months ended 30 June 2022	2021 (Restated)	
	S\$'000	S\$'000	
<b>Profit for the financial period attributable to:</b>			
- Owners of the Company	1,893	2,492	(24.0)
- Non-controlling interests	1	2	(50.0)
	1,894	2,494	(24.1)
<b>Total comprehensive income for the financial period attributable to:</b>			
- Owners of the Company	344	1,831	(81.2)
- Non-controlling interests	—	2	(100.0)
	344	1,833	(81.2)
<b>Earnings per share (cents per share):</b>			
- Basic	0.74	0.98	(24.4)
- Diluted	0.74	0.97	(24.0)

**A Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**
**A(i) Notes to the consolidated statement of profit or loss**

	Group		
	6 months ended 30 June 2022	2021 (Restated)	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	1,355	1,337	
Amortisation of intangible assets	404	494	
Impairment loss on trade receivables and bad debts written off, net	298	486	[1]
Foreign exchange loss	105	129	
Other operating income	(141)	(433)	[2]
Over-provision of tax in respect of prior years	(4)	(199)	[3]
Finance income	(1,180)	(1,078)	

**Notes**

- The decrease in net impairment loss on trade receivables and bad debts written off of approximately S\$188,000 in the six months ended 30 June 2022 ("1H2022") compared to six months ended 30 June 2021 ("1H2021") was a result of increased collection efforts across the Group, as well as the Group-wide initiative to shift more deferred payment plans to full upfront payment plans, or a reduction in the length of deferred payment.
- The decrease in other operating income of approximately S\$0.3 million in 1H2022 compared to 1H2021 was mainly due to the decrease in government grants received by the Group in connection with the Coronavirus Disease 2019 outbreak ("COVID-19"). The Group received grants of approximately S\$148,000 in 1H2022 compared to S\$246,000 in 1H2021. There was also a reduction in subsidies received by the Group under a technology talent funding scheme in Hong Kong, from approximately S\$80,000 received in 1H2021 to S\$26,000 received in 1H2022. In addition, the Group received grant income of S\$39,000 in 1H2021

There was also an increase in fair value loss on the short-term investments held in Malaysia. The Group recognised a fair value loss of S\$226,000 in 1H2022 (1H2021: S\$154,000).

- Over-provision of tax in respect of prior years of approximately S\$4,000 for 1H2022 mainly comprises an over-provision of corporate income tax in Malaysia of S\$19,000, offset by an under-provision of corporate income tax in Singapore of S\$15,000. In 1H2021, the over-provision of tax in respect of prior years of S\$199,000 was for the Philippines subsidiary.

**B Condensed interim statements of financial position**

	Group as at		Company as at	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	15,511	16,403	6,424	6,558
Investment properties	3,473	3,513	1,848	1,848
Intangible assets	31,821	31,539	879	730
Deferred tax assets	596	672	—	—
Investment in subsidiaries	—	—	62,620	62,620
Investment in associate	1,109	1,106	—	—
Long-term investments	4,334	4,357	4,334	4,357
Contract assets	65,824	66,573	41,453	42,211
Fixed deposits	8,852	9,731	—	—
	<u>131,520</u>	<u>133,894</u>	<u>117,558</u>	<u>118,324</u>
<b>Current assets</b>				
Inventories	1,470	1,428	288	283
Prepayments	1,924	2,162	974	1,046
Trade receivables	23,416	23,961	10,121	10,842
Other receivables	2,923	5,460	557	696
Tax recoverable	1,206	1,921	—	—
Amount owing by subsidiaries	—	—	23,786	23,381
Short-term investments	12,843	15,411	—	—
Fixed deposits	38,582	33,760	6,932	8,268
Pledged fixed deposits	263	257	—	—
Cash and cash equivalents	13,959	15,458	3,841	3,438
	<u>96,586</u>	<u>99,818</u>	<u>46,499</u>	<u>47,954</u>
<b>Total assets</b>	<u>228,106</u>	<u>233,712</u>	<u>164,057</u>	<u>166,278</u>
<b>Current liabilities</b>				
Trade and other payables	8,525	11,423	2,355	4,431
Amounts owing to subsidiaries	—	—	1,867	15,378
Lease liabilities	1,502	2,124	101	174
Contract liabilities	8,960	9,026	3,630	4,019
Tax payable	707	1,666	—	—
	<u>19,694</u>	<u>24,239</u>	<u>7,953</u>	<u>24,002</u>
<b>Net current assets</b>	<u>76,892</u>	<u>75,579</u>	<u>38,546</u>	<u>23,952</u>

**B Condensed interim statements of financial position (cont'd)**

	Group As at		Company As at	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
<b>Non-current liabilities</b>				
Other payables	661	662	—	—
Amount owing to subsidiaries	—	—	13,811	13,395
Lease liabilities	813	843	134	139
Contract liabilities	68,319	67,108	16,138	15,668
Deferred tax liabilities	3,987	4,171	15	15
	<u>73,780</u>	<u>72,784</u>	<u>30,098</u>	<u>29,217</u>
<b>Total liabilities</b>	<u>93,474</u>	<u>97,023</u>	<u>38,051</u>	<u>53,219</u>
<b>Net assets</b>	<u>134,632</u>	<u>136,689</u>	<u>126,006</u>	<u>113,059</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	94,686	95,163	94,686	95,163
Treasury shares	(12,554)	(13,290)	(12,554)	(13,290)
Accumulated profits	68,996	69,407	43,277	30,233
Other reserves	(16,756)	(14,851)	597	953
	<u>134,372</u>	<u>136,429</u>	<u>126,006</u>	<u>113,059</u>
<b>Non-controlling interests</b>	<u>260</u>	<u>260</u>	<u>—</u>	<u>—</u>
<b>Total equity</b>	<u>134,632</u>	<u>136,689</u>	<u>126,006</u>	<u>113,059</u>
<b>Total equity and liabilities</b>	<u>228,106</u>	<u>233,712</u>	<u>164,057</u>	<u>166,278</u>

**C Condensed interim consolidated statement of cash flows**

	Group	
	6 months ended 30 June	
	2022	2021 (Restated)
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	2,237	2,727
Adjustments for:		
Depreciation of property, plant and equipment	1,355	1,337
Amortisation of intangible assets	404	494
Impairment loss on receivables and bad debts written off, net	298	486
(Gain)/loss on disposal of property, plant and equipment	(7)	7
Interest income	(1,180)	(1,078)
Interest expense	75	115
Share-based compensation (reversal)/expense	(97)	157
Fair value loss on short-term investments	226	154
Share of profit of associate	(260)	(287)
Unrealised exchange gain	(202)	(193)
	<u>2,849</u>	<u>3,919</u>
<b>Operating cash flows before changes in working capital</b>	2,849	3,919
<u>Changes in working capital</u>		
(Increase)/decrease in trade receivables	(125)	1,396
Decrease/(increase) in contract assets	380	(666)
Decrease/(increase) in other receivables and prepayments	3,030	(73)
(Increase)/decrease in inventories	(42)	378
Decrease in trade and other payables	(2,899)	(1,785)
Decrease in lease liabilities	(863)	(1,292)
Increase in contract liabilities	1,753	2,428
	<u>4,083</u>	<u>4,305</u>
<b>Cash generated from operations</b>	4,083	4,305
Interest received	777	690
Interest paid	—	(35)
Income tax paid	(790)	(535)
	<u>4,070</u>	<u>4,425</u>
<b>Net cash from operating activities</b>	4,070	4,425



**C Condensed interim consolidated statement of cash flows (cont'd)**

	Group	
	6 months ended 30 June 2022	2021 (Restated)
	S\$'000	S\$'000
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(701)	(497)
Purchase of intangible assets	(227)	(152)
Proceeds from sale of investment properties	—	553
Proceeds from disposal of fixed assets	2	3
Dividend received	179	—
Redemption of short-term investments	2,227	104
Transfer to term deposits, net	(4,916)	(4,602)
<b>Net cash used in investing activities</b>	<u>(3,436)</u>	<u>(4,591)</u>
<b>Cash flows from financing activities:</b>		
Acquisition of non-controlling interest in subsidiary	—	(56)
Repayment of interest-bearing borrowings	—	(3,987)
Dividends paid	(2,304)	(2,298)
<b>Cash flows used in financing activities</b>	<u>(2,304)</u>	<u>(6,341)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,670)	(6,507)
<b>Cash and cash equivalents at the beginning of the financial period</b>	15,458	25,938
Effects of exchange rate changes on cash and cash equivalents	171	432
<b>Cash and cash equivalents at end of the financial period</b>	<u>13,959</u>	<u>19,863</u>

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less.

**Condensed Interim Financial Statements for the Six Months Ended 30 June 2022**
**D Condensed interim statements of changes in equity**

	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Acquisition reserve S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000	Total S\$'000
<b>Group</b>										
<b>At 1 January 2021</b>	95,646	(14,073)	65,570	537	568	534	(11,740)	(3,946)	126	133,222
Profit for the financial period	—	—	2,492	—	—	—	—	—	2	2,494
Other comprehensive loss for the financial period, net of tax										
- Foreign currency translation	—	—	—	—	—	—	—	(661)	—	(661)
Total comprehensive income/(loss) for the financial period, net of tax	—	—	2,492	—	—	—	—	(661)	2	1,833
<u>Contributions by and distributions to owners</u>										
Grant of share awards to employees	—	—	—	157	—	—	—	—	—	157
Reissuance of treasury shares pursuant to equity compensation plans	(483)	783	—	(300)	—	—	—	—	—	—
Dividends	—	—	(2,298)	—	—	—	—	—	—	(2,298)
Total contributions by and distributions to owners	(483)	783	(2,298)	(143)	—	—	—	—	—	(2,141)
<u>Changes in ownership interests in subsidiary</u>										
Acquisition of non-controlling interests in subsidiary*	—	—	—	—	—	—	(191)	—	134	(57)
Total changes in ownership interest in subsidiary	—	—	—	—	—	—	(191)	—	134	(57)
<b>At 30 June 2021</b>	95,163	(13,290)	65,764	394	568	534	(11,931)	(4,607)	262	132,857

**D Condensed interim statements of changes in equity (cont'd)**

\*On 11 June 2021, the Group's wholly-owned subsidiary, Cordlife Stem Cell Technology Limited acquired 660,000 ordinary shares in Hong Kong Screening Centre Limited ("HKSC") from Navigene Genetic Science Pvt. Ltd, representing approximately 33.0% of all the issued ordinary shares of HKSC for HK\$329,776 (approximately S\$57,000). As a result of the acquisition, the carrying value of the non-controlling interest being approximately S\$134,000 was reversed, and the difference between the consideration and the carrying value of the non-controlling interest, being S\$191,000, was recognised in acquisition reserve under other reserve.

**Condensed Interim Financial Statements for the Six Months Ended 30 June 2022**
**D Condensed interim statements of changes in equity (cont'd)**

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Total S\$'000
<b>At 1 January 2021</b>	95,646	(14,073)	31,632	537	422	114,164
Loss for the financial period, representing total comprehensive loss for the financial period	—	—	(11)	—	—	(11)
<u>Contributions by and distributions to owners</u>						
Grant of share awards to employees	—	—	—	157	—	157
Reissuance of treasury shares pursuant to equity compensation plans	(483)	783	—	(300)	—	—
Dividends	—	—	(2,298)	—	—	(2,298)
Total contributions by and distributions to owners	(483)	783	(2,298)	(143)	—	(2,141)
<b>At 30 June 2021</b>	95,163	(13,290)	29,323	394	422	112,012

**Condensed Interim Financial Statements for the Six Months Ended 30 June 2022**
**D Condensed interim statements of changes in equity (cont'd)**

	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Acquisition reserve S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000	Total S\$'000
<b>Group</b>										
<b>At 1 January 2022</b>	95,163	(13,290)	69,407	531	568	534	(11,931)	(4,553)	260	136,689
Profit for the financial period	—	—	1,893	—	—	—	—	—	1	1,894
Other comprehensive loss for the financial period, net of tax										
- Foreign currency translation	—	—	—	—	—	—	—	(1,549)	(1)	(1,550)
Total comprehensive income/(loss) for the financial period, net of tax	—	—	1,893	—	—	—	—	(1,549)	—	344
<u>Contributions by and distributions to owners</u>										
Reversal of share awards to employees	—	—	—	(97)	—	—	—	—	—	(97)
Reissuance of treasury shares pursuant to equity compensation plans	(477)	736	—	(259)	—	—	—	—	—	—
Dividends	—	—	(2,304)	—	—	—	—	—	—	(2,304)
Total contributions by and distributions to owners	(477)	736	(2,304)	(356)	—	—	—	—	—	(2,401)
<b>At 30 June 2022</b>	94,686	(12,554)	68,996	175	568	534	(11,931)	(6,102)	260	134,632

**Condensed Interim Financial Statements for the Six Months Ended 30 June 2022**
**D Condensed interim statements of changes in equity (cont'd)**

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Total S\$'000
<b>At 1 January 2022</b>	95,163	(13,290)	30,233	531	422	113,059
Profit for the financial period, representing total comprehensive income for the financial period	—	—	15,348	—	—	15,348
<u>Contributions by and distributions to owners</u>						
Reversal of share awards to employees	—	—	—	(97)	—	(97)
Reissuance of treasury shares pursuant to equity compensation plans	(477)	736	—	(259)	—	—
Dividends	—	—	(2,304)	—	—	(2,304)
Total contributions by and distributions to owners	(477)	736	(2,304)	(356)	—	(2,401)
<b>At 30 June 2022</b>	94,686	(12,554)	43,277	175	422	126,006

**E Notes to the condensed interim consolidated financial statements**

**1 Corporate information**

Cordlife Group Limited (the “Company”) is incorporated in Singapore and has its registered office at 1 Yishun Industrial Street 1, #06-01/09, A’Posh Bizhub, Singapore 768160. The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in equity-accounted investees.

The principal activities of the Company are investment holding and the provision of cord blood banking services, which involves the processing and storage of cord blood stem cells. The principal activities of the subsidiaries are:

- a. provision of cord blood, cord lining and cord tissue banking services
- b. provision of diagnostics services
- c. provision of medical laboratory and diagnostic services and general medical screening tests
- d. property investment
- e. investment holding
- f. provision of marketing services

**2 Basis of Preparation**

**2(a) Statement of compliance**

The condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I”).

**2(b) Basis of measurement**

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

**2(c) Functional and presentation currency**

These condensed interim financial statements are presented in Singapore dollars (“S\$”), which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**2 Basis of Preparation (cont'd)**
**2(d) Use of estimates and judgements**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements are as follows :

- *Revenue recognition: whether revenue from rendering of cord blood, cord lining and cord tissue banking services is recognised over time or point in time*

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Rendering of cord blood, cord lining and cord tissue banking services: processing revenue

Nature of goods or services	Collection, processing and testing of the cord blood, cord lining and cord tissue sample.
When revenue is recognised	Revenue is recognised upon completion of processing of the cord blood, cord lining and cord tissue sample.
Significant payment terms	Deferred payment plans that include annual instalments over 18 to 21 years or full upfront payment upon contract signing or client delivery. Deferred payment plans have been determined to include a significant financing component. No significant financing component is recognised for upfront payments plans as these terms are designed for reasons other than provision of financing to the Group.
Obligations for refunds, if any	Refunds will be provided if no collection is done.
Obligations for warranties	Nil

Rendering of cord blood, cord lining and cord tissue banking services: storage revenue

Nature of goods or services	Cryopreservation of the cord blood, cord lining and cord tissue sample.
When revenue is recognised	Over the storage period.
Significant payment terms	Deferred payment plans that include annual instalments over 18 to 21 years or full upfront payment upon contract signing or client delivery. Deferred payment plans have been determined to include a significant financing component. No significant financing component is recognised for upfront payments plans as these terms are designed for reasons other than provision of financing to the Group.
Obligations for refunds, if any	For full upfront payments, customers are entitled to refunds on the prepaid storage component that has not been fulfilled, if the contract is terminated in accordance with the terms of the contract.
Obligations for warranties	Nil



**E Notes to the condensed interim consolidated financial statements (cont'd)**
**2 Basis of Preparation (cont'd)**
**2(d) Use of estimates and judgements (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next interim period are as follows:

- *Fair value of investment properties: determination of fair value of investment properties based on the valuation technique and significant unobservable inputs*

For the year ended 31 December 2021, the valuations are performed by PREMAS Valuers & Property Consultants Pte Ltd and VPC Alliance (KL) Sdn. Bhd., who are independent valuers with recognised and relevant professional qualifications and with recent experiences in the location and category of the properties being valued. The valuations are based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market.

For the half year ended 30 June 2022, the Group had re-assessed the valuation using the comparable market transactions in the open market and concluded that the fair value of the investment properties has not changed significantly since the end of the last reporting period.

- *Impairment of non-financial assets: key assumptions used in discounted cash flow projections for the recoverable amounts*

For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to the Group's cash generating units ("CGUs") (operating divisions) as follows:

	<b>Group</b>	
	<b>As at</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Business operations in Malaysia – Stemlife Berhad	7,303	7,486
Business operations in Hong Kong – Healthbaby and Cordlife Hong Kong	20,560	20,094
	<u>27,863</u>	<u>27,580</u>

As at 31 December 2021, the recoverable amount of CGUs has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

As at 30 June 2022, the Group assessed that there were no indicators that the CGUs may be impaired. Accordingly, no impairment assessment was performed.

**E Notes to the condensed interim consolidated financial statements (cont'd)**

**2 Basis of Preparation (cont'd)**

**2(d) Use of estimates and judgements (cont'd)**

- *Measurement of expected credit losses (“ECLs”) allowance for trade and other receivables and contract assets: key assumptions in determining the weighted-average loss*

As at 30 June 2022, the Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures by type of customers based on the common credit risk characteristics.

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

**3 Seasonal operations**

The Group’s business are not affected significantly by seasonal or cyclical factors during the financial period.

**4 Segment and revenue information**

For management reporting purposes, the Group monitors the performance of the business units based on their products and services and has two reportable segments as follows:

- The banking segment comprises of the collection, processing and banking of biological materials.
- The diagnostics segment comprises diagnostic testing services.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income taxes that are managed on a group basis.
- Subsidiaries not offering services under the banking and diagnostic segments.

No operating segments have been aggregated to form the above reportable operating segments.

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**

	<b>Banking</b>	<b>Diagnostics</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Segment revenue</b>			
<b>1 January 2022 to 30 June 2022</b>			
Revenue from external clients	24,123	2,115	26,238
Total consolidated revenue			<u>26,238</u>
<b>1 January 2021 to 30 June 2021</b>			
Revenue from external clients	25,564	1,755	27,319
Total consolidated revenue			<u>27,319</u>
<b>Segment results</b>			
<b>1 January 2022 to 30 June 2022</b>			
Depreciation and amortisation	<u>(1,756)</u>	<u>(3)</u>	<u>(1,759)</u>
Segment profit	1,610	367	1,977
Share of profit of associate			260
Profit before income tax			<u>2,237</u>
Income tax			<u>(343)</u>
Profit for the period			<u>1,894</u>
<b>1 January 2021 to 30 June 2021</b>			
Depreciation and amortisation	<u>(1,826)</u>	<u>(5)</u>	<u>(1,831)</u>
Segment profit	1,913	527	2,440
Share of profit of associate			287
Profit before income tax			<u>2,727</u>
Income tax			<u>(233)</u>
Profit for the period			<u>2,494</u>

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**
**Segment assets and liabilities**

	Banking S\$'000	Diagnostics S\$'000	Others* S\$'000	Total S\$'000
<b>30 June 2022</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	1,270	—	—	1,270
Segment assets	266,241	4,380	833	271,454
Investment in associate				1,109
Investment properties				3,473
Eliminations+				(47,930)
Per interim financial statements				228,106
Segment liabilities	122,663	1,336	12,404	136,403
Tax payables				707
Deferred tax liabilities				3,987
Eliminations+				(47,623)
Per interim financial statements				93,474
<b>30 June 2021</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	643	—	—	643
Segment assets	257,442	2,665	557	260,664
Investment in associate				961
Investment properties				6,905
Eliminations+				(40,620)
Per interim financial statements				227,910
Segment liabilities	116,403	1,267	11,091	128,761
Tax payables				2,263
Deferred tax liabilities				4,442
Eliminations+				(40,413)
Per interim financial statements				95,053

+ Inter-segment balances are eliminated on consolidation.

\* Others refer to the assets and liabilities of subsidiaries not offering services under the banking and diagnostic segments.

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**

	Revenue	
	6 months ended 30 June	
	2022	2021
	S\$'000	S\$'000
Singapore	11,235	12,535
Hong Kong	3,618	3,852
India	4,028	3,887
Malaysia	1,838	2,062
Philippines	2,684	2,510
Indonesia	2,835	2,473
	26,238	27,319
	26,238	27,319

**5 Taxation**

	Group	
	6 months ended 30 June	
	2021	2020
	S\$'000	S\$'000
<b><i>Current tax expense</i></b>		
Current period	366	301
Over-provision in respect of previous years	(4)	(199)
	362	102
<b><i>Deferred tax expense</i></b>		
Origination and reversal of temporary differences	(19)	131
	343	233
	343	233

Income tax is calculated at prevailing tax rates of the respective countries on the estimated assessable profit for the period.

**6 Dividends**

	Group and Company	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
<b>Paid by the Company to owners of the Company</b>		
<i>Dividends on ordinary shares:-</i>		
Final tax exempt (one-tier) dividend for 31 December 2021: 0.9 cents per share	2,304	—
Final tax exempt (one-tier) dividend for 31 December 2020: 0.9 cents per share	—	2,298
	2,304	2,298
	2,304	2,298



Other information required under Appendix 7.2 of the  
SGX-ST Listing Manual

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

Company	Number of shares	Share capital S\$
<b>As at 1 January 2022</b>	255,301,444	95,162,873
Treasury shares reissued pursuant to equity compensation plans	675,950	(476,835)
<b>As at 30 June 2022</b>	255,977,394	94,686,038

- 1(b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	As at	
	30 June 2022	31 December 2021
	No. of shares	No. of shares
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(11,547,960)	(12,223,910)
Total number of issued shares excluding treasury shares	255,977,394	255,301,444
Percentage of treasury shares against total number of shares outstanding	4.3 %	4.6 %

- 1(c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

On 5 May 2022, 675,950 treasury shares were reissued pursuant to the Cordlife Share Grant Plan.

- 1(d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding audit issue, (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

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

Except as disclosed in note (5) below, the condensed interim financial statements for the current period reported on have been presented using the same accounting policies and methods of computation as presented in the Company's most recently audited annual financial statements.



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

The Group has adopted new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) and Interpretations of SFRS(I) (“INT SFRS(I)”) which became effective for the financial year beginning 1 January 2022.

The adoption of these new/revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group’s accounting policies and has no material/significant impact on the condensed interim financial statements of the Group for the current reporting period or the reporting periods in prior years.

The presentation of finance income on contract assets has been reclassified from finance income to revenue to better reflect the nature of the revenue and income. The comparative figures in the statement of comprehensive income have been accordingly reclassified. The effects of the reclassification has no impact on the profit for the period and total comprehensive income for the period.

The effects of the reclassification is as follows:

	<b>For the financial period ended 30 June 2021</b>		
	<b>As previously reported</b>	<b>Effects of Reclassification</b>	<b>As restated</b>
	S\$’000	S\$’000	S\$’000
Revenue	23,170	4,149	27,319
Finance income	5,227	(4,149)	1,078

**6 Earnings per ordinary share**

	<b>Group</b>	
	<b>6 months ended 30 June</b>	
<b>Basic Earnings Per Share</b>	<b>2022</b>	<b>2021</b>
<b>Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:</b>		
Profit attributable to shareholders of the Company (S\$ '000)	1,893	2,492
Weighted average number of shares in issue during the period ('000)	255,514	254,885
Basic earnings per share based on weighted average number of ordinary shares (cents)	0.74	0.98
<b>Diluted Earnings Per Share</b>		
<b>Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:</b>		
Profit attributable to shareholders of the Company (S\$ '000)	1,893	2,492
Weighted average number of shares in issue during the period ('000)	256,744	256,804
Diluted earnings per share based on weighted average number of ordinary shares (cents)	0.74	0.97

**Notes:**

Basic earnings per share are calculated by dividing profit net of tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share are calculated by dividing profit net of tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares shall be treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

**7 Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the relevant period	52.60	53.54	49.23	44.28

The number of shares in issue and used in calculating the net asset value per share as at 30 June 2022 is 255,977,394 (31 December 2021: 255,301,444).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

**COMPARING 6 MONTHS ENDED 30 JUNE 2022 ("1H2022") AGAINST 6 MONTHS ENDED 30 JUNE 2021 ("1H2021")**

**Income Statement**

Revenue

Revenue decreased by 4.0% or S\$1.1 million from S\$27.3 million in 1H2021 to S\$26.2 million in 1H2022 as a result of a 4.5% decrease in new samples processed and stored from 8,800 in 1H2021 to 8,400 in 1H2022. The decrease in revenue is largely contributed by Singapore, which experienced a dip in new samples processed and stored as a result of the spike in COVID-19 cases during the Omicron wave in 1H2022.

This was offset by an increase in revenue from diagnostic service offerings, which grew 20.5% or S\$0.4 million from 1H2021 to 1H2022.

Gross profit and gross profit margin

Gross profit decreased from S\$18.8 million in 1H2021 to S\$17.6 million in 1H2022 mainly due to the decrease in new samples processed and stored. The gross profit margin decreased to 67.0% in 1H2022 as compared to 68.8% in 1H2021 partly due to an increase in contribution from diagnostics which carry a lower margin compared to the banking segment, as well as inflationary pressures affecting the Group's cost of service delivery.

Other operating income

The decrease in other operating income of approximately S\$0.3 million in 1H2022 compared to 1H2021 was mainly due to the decrease in government grants received by the Group in connection with the Coronavirus Disease 2019 outbreak ("COVID-19"). The Group received grants of approximately S\$148,000 in 1H2022 compared to S\$246,000 in 1H2021. There was also a reduction in subsidies received by the Group under a technology talent funding scheme in Hong Kong, from approximately S\$80,000 received in 1H2021 to S\$26,000 received in 1H2022. In addition, the Group received grant income of S\$39,000 in 1H2021 from Enterprise Singapore for certain digital transformation efforts embarked upon in Singapore. There was no such grant received in 1H2022. There was also an increase in fair value loss on the short-term investments held in Malaysia. The Group recognised a fair value loss of S\$226,000 in 1H2022 (1H2021: S\$154,000).

Finance income

Finance income comprises interest income from deposits, short-term investments and note receivable of S\$1.2 million (1H2021: S\$1.1 million).

Finance costs

Finance costs relate to interest-bearing borrowings and lease liabilities which amounted to S\$75,000 in 1H2022 (1H2021: S\$115,000). On 17 March 2021, the Company repaid the outstanding interest-bearing borrowings of S\$3.9 million. Consequently, interest expense decreased in 1H2022 as compared with 1H2021.

Profit before income tax from operations

As a result of the foregoing, the profit before income tax from operations of S\$2.0 million for 1H2022 was 19.0% lower than for 1H2021.

Share of profit of associate

In 1H2022, the Group recognised the share of profit of associate of S\$260,000 compared to S\$287,000 recognised in 1H2021.

Tax

In 1H2022, government grants and share of profit of associate of S\$408,000 were not taxable. In 1H2021, government grants and share of profit of associate of S\$533,000 were not taxable.

Over-provision of tax in respect of prior years of approximately S\$4,000 for 1H2022 mainly comprises mainly comprises an over-provision of corporate income tax in Malaysia of S\$19,000, offset by an under-provision of corporate income tax in Singapore of S\$15,000. In 1H2021, the over-provision of tax in respect of prior years of S\$199,000 was relating to the Philippines subsidiary.

Adjusting for the foregoing, the effective tax rate of 19.0% in 1H2022 was comparable to 1H2021 at 19.7%.

**Balance sheet**

Cash and cash equivalents, unpledged and pledged fixed deposits ("fixed deposits"), short-term and long-term investments

As at 30 June 2022, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits, short-term and long-term investments of S\$78.8 million (31 December 2021: S\$79.0 million). Short-term investments mainly comprise investments in money market funds and long-term investments comprise a Class A Redeemable Convertible Note ("RCN") in the principal amount of S\$4.2 million from CellResearch Corporation ("CRC").

The decrease in cash and cash equivalents of S\$1.5 million from S\$15.5 million as at 31 December 2021 to S\$14.0 million as at 30 June 2022 was mainly due to net transfers to term deposits of S\$4.9 million and purchases of property, plant and equipment and intangible assets of S\$0.9 million, offset by redemption of short-term investments of S\$2.2 million under investing activities. The Group also made dividend payment of S\$2.3 million, classified under financing activities. This is offset by cash generated from operating activities of S\$4.1 million.

Net cash generated from operating activities comprised mainly operating cash flows before movements in working capital of S\$2.8 million, net working capital inflow of S\$1.2 million and net interest received of S\$0.8 million offset by income tax paid of S\$0.8 million.

Net working capital inflow of approximately S\$1.2 million comprised the following:

- increase in trade receivables of approximately S\$0.1 million;
- decrease in contract assets of approximately S\$0.4 million;
- decrease in other receivables, deposits and prepayments of approximately S\$3.0 million;
- increase in inventories of approximately S\$42,000;
- decrease in trade and other payables of approximately S\$2.9 million;
- decrease in lease liabilities of approximately S\$0.9 million; and
- increase in contract liabilities of approximately S\$1.8 million.

The increase in current and non-current fixed deposits and short-term and long-term investments of S\$1.4 million is mainly due to the net transfers to term deposits from cash and cash equivalents of S\$4.9 million, offset by redemption of short-term investments of S\$2.2 million, as well as the weakening of the Malaysian Ringgit and Indian Rupee against the Singapore Dollar which resulted in translation losses on fixed deposits and short-term investments in the Malaysia and India subsidiaries.

#### Property, plant and equipment

As at 30 June 2022, the Group recorded S\$15.5 million on its balance sheet for property, plant and equipment (31 December 2021: S\$16.4 million). The depreciation of S\$1.4 million in 1H2022 was offset by the purchase of equipment required for the ordinary course of business.

#### Investment properties

As at 30 June 2022, the Group recorded S\$3.5 million on its balance sheet for investment properties (31 December 2021: S\$3.5 million).

#### Intangible assets

Intangible assets comprise client contracts, brand and goodwill acquired in business combinations and computer software.

#### Deferred tax assets

Deferred tax assets represent prior year tax losses carried forward as a result of the transitional adjustments arising from the adoption of FRS115 in the Hong Kong subsidiary. The decrease in deferred tax from S\$0.7 million as of 31 December 2021 to S\$0.6 million as of 30 June 2022 was due to utilisation of deferred tax asset to offset against 1H2022 profit of the said subsidiary.

#### Investment in associate

Investment in associate comprise a 39.61% stake in Thai Stemlife Co., Ltd through Stemlife Berhad.

#### Long-term investments

Long-term investments comprise a RCN maturing on June 2023 in the principal amount of S\$4.2 million from CRC. The yielding interest is at a rate of three month SIBOR plus 7% per annum payable annually in arrears.

Contract assets, non-current

Non-current contract assets represent all service revenues arising from the performance obligations identified under instalment payment plans in the cord blood, cord lining and cord tissue banking contracts that have yet to be billed to clients. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables. As at 30 June 2022, the Group recorded non-current contract assets of S\$65.8 million (31 December 2021: S\$66.6 million).

Inventories

As at 30 June 2022, the Group recorded inventories of S\$1.5 million (31 December 2021: S\$1.4 million).

Prepayments

As at 30 June 2022, the Group recorded prepayment of S\$1.9 million (31 December 2021: S\$2.2 million). The decrease was mainly due to the unwinding of certain insurance premiums prepayments in Singapore.

Trade receivables, current

Current trade receivables as at 30 June 2022 was S\$23.4 million compared to S\$24.0 million as at 31 December 2021.

Other receivables, current

As at 30 June 2022, the Group recorded other receivables of S\$2.9 million compared to S\$5.5 million as at 31 December 2021. The decrease in other receivables was mainly due to the receipt of sales proceeds in January 2022 for the sale of two investment properties in Stemlife Berhad in December 2021.

Tax recoverable

As at 30 June 2022, the Group recorded tax recoverable of S\$1.2 million (31 December 2021: S\$1.9 million). The Group's subsidiary in Indonesia, PT Cordlife Persada, had received a tax assessment in respect of FY2016, mainly relating to withholding and value added tax imposed on transactions arising from contracts entered into by the Group's Singapore subsidiaries with Indonesian residents for the processing and storage of their samples in Singapore. PT Cordlife Persada had acted as a marketing agent in this arrangement.

As required by the Indonesia's tax ruling, the subsidiary had prepaid the preliminary tax assessed amount of approximately S\$0.6 million accordingly. The final tax levied on the transactions was IDR 660 million (approximately S\$62,000) and in February 2022, Persada received the refund of IDR 6.4billion (approximately S\$600,000) upon the settlement of the tax assessment.

Short-term investments

As at 30 June 2022, the Group recorded short-term investments of S\$12.8 million compared to S\$15.4 million as at 31 December 2021, which mainly comprise money market funds held in Malaysia. The decrease is mainly due to the transfer of the funds into fixed deposits.

Trade and other payables, current and non-current

As at 30 June 2022, the Group recorded current trade and other payables of S\$8.5 million (31 December 2021: S\$11.4 million) and non-current other payables of S\$661,000 (31 December 2021: S\$662,000). The decrease in trade and other payables was mainly attributable to the subsidiaries' effort in improving and maintaining prompt payment cycles to the vendors.

Lease liabilities, current and non-current

As of 30 June 2022, the Group recognised lease liabilities of S\$2.3 million on property and equipment leases (31 December 2021: S\$3.0 million). The decrease in lease liabilities was attributable to the payments made during the period.

Contract liabilities, current and non-current

Contract liabilities represent revenue received in advance for services revenues to be rendered under the various performance obligations identified in the cord blood, cord lining, cord tissue banking and diagnostics contracts. As at 30 June 2022, current and non-current contract liabilities were at S\$9.0 million and S\$68.3 million respectively (31 December 2021: S\$9.0 million and S\$67.1 million respectively).

Income tax payable

The Group recorded income tax payable of S\$0.7 million as at 30 June 2022 (31 December 2021: S\$1.7 million). The reduction in income tax payable is mainly due to the income tax payment of S\$0.8 million and utilisation of deferred tax assets of S\$89,000 during the period.

Deferred tax liabilities

As at 30 June 2022, deferred tax liabilities amounted to S\$4.0 million (31 December 2021: S\$4.2 million), comprising deferred tax liabilities on temporary differences and on intangible assets recognised on business combination.

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

Not applicable as no forecast or prospect statement was previously disclosed to shareholders.

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

As the global macroeconomy continues to reopen and transition to implementing management strategies to treat COVID-19 as endemic, various countries around the world continue to further ease COVID-19 restrictions and measures.

While the supply chain disruptions which began at the start of the pandemic has begun to ease in Asia, a full recovery of the situation is expected to take longer<sup>1</sup> with prices of raw materials and cost of deliveries expected to remain relatively high. While the record high freight rates experienced in the last two years have also started to moderate, they are still above pre-pandemic levels.

Economies around the world are also facing inflationary pressures, with the United States experiencing an inflation rate of 9.1% as food and fuel prices continue to soar amid the energy crisis and Russia-Ukraine conflict<sup>2</sup>. Against this backdrop of volatility and rising cost of living, consumer spending has begun to tighten and there is increasing competition for wallet share, particularly for discretionary expenses. However, the Group has remained adaptable and continued to further expand on the strategy of selling more services to our more affluent clients and whenever the clients could afford, the high value plans and the full suite of service plans.

The recent spike in COVID-19 cases across the different markets that the Group operates in has resulted in reimplementing of certain restrictions and measures which has affected the Group's operations, particularly in Singapore. Still, the resumption of large scale in-person expos and events is expected to bode well for the Group and provide a welcome boost in terms of client outreach and lead generation. The Group was the official title sponsor for Mummy's Market, which is reportedly one of the biggest baby fairs in Southeast Asia, held in Singapore during the month of July. As restrictions continue to ease further, the Group looks forward to an increase in such events, which represent a stalwart channel for client acquisition, in addition to the digital outreach and online presence that the Group has been steadily building.

In addition, the Group will continue with the ongoing efforts to proactively engage doctors and hospitals in the various markets with regards to the utilisation of stem cells for various healthcare treatments. This will eventually allow the Group to develop a strong ecosystem for healthcare and as the interest in stem cell therapy grows, the Group believes that its banking business will be a primary beneficiary.

For the diagnostics business segment, the Group will continue to leverage on the growth in demand for such services by ramping up the range of products and services offered under the diagnostics business segment. In Vietnam, notwithstanding the expiry of Cordlife's marketing agreement with its Vietnam-based marketing agent in February 2022, Cordlife continues to have a presence in Vietnam through the offering of diagnostic services such as non-invasive metabolic newborn screening to clinics. Cordlife will also continue to explore opportunities to offer cord blood and cord tissue banking services in Vietnam and will keep shareholders updated on any material developments in this respect.

As at 30 June 2022, the Group's balance sheet remains strong, with S\$78.8 million in cash and cash equivalents, fixed deposits and short-term and long-term investments. Moving forward, the Group will remain resilient in its pursuit of business opportunities while staying cautiously optimistic amidst the uncertainty of the global economic landscape and the rise in COVID-19 infection rates. The Group will also continue to observe the necessary protocols and take precautions to ensure the safety of our staff and sustainability of operations.

Barring unforeseen developments and exceptional non-operating items, the Group expects to remain profitable for the current financial year ending 31 December 2022.

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<sup>1</sup> The Edge Markets - Cover Story: Supply chain disruption unlikely to end anytime soon (<https://www.theedgemarkets.com/article/cover-story-supply-chain-disruption-unlikely-end-anytime-soon>)

<sup>2</sup> CBS News - Inflation hit 9.1% in June, highest rate in more than 40 years (<https://www.cbsnews.com/news/inflation-june-cpi-report-hit-new-high-40-years-9-1-percent/>)



## **11 Dividends**

### **(a) Current financial period reported on**

Any interim (final) ordinary dividend declared (recommended) for the current financial period reported on? No.

### **(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

### **(c) The date the dividend is payable**

Not applicable.

### **(d) Record date**

Not applicable.

## **12 If no dividend has been declared (recommended), a statement to that effect and provide the reasons for the decision not to declare/recommend any dividend**

Amidst the global economic uncertainty and challenging operating environment, the Directors did not declare or recommend dividends for 1H2022. The Directors will review the dividend payout in the following quarters after taking into consideration the Company's performance and business expansion plans.

## **13 Interested person transactions**

The Company has not obtained a general mandate from shareholders for interested person transactions.

There were no interested person transactions of S\$100,000 or more for the financial period reported on.

## **14 Disclosure on the use of placement proceeds**

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the announcements on Private Placement Of An Aggregate Of Up To 26,838,000 New Ordinary Shares In The Capital Of The Company dated 2 October 2013, 11 October 2013 and 14 October 2013.

The Company issued 26,838,000 Placement Shares at an issue price of S\$1.25 per Placement Share by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S\$33,547,500 on 14 October 2013.

As at 11 August 2022, the Group has utilised approximately S\$26.9 million out of S\$33.5 million of the Private Placement proceeds as follows:

Intended Use of Placement Proceeds	Estimated amount (S\$ m)	Estimated percentage of gross proceeds raised from the Private Placement	Amount utilised (S\$ m)	Percentage of gross proceeds raised from the Private Placement
Further, fund and support the Group's operations in connection with its enlarged geographical footprint developed after the Company's initial public offering, including funding of additional strategic investments, joint ventures, acquisitions and/or strategic alliances as and when opportunities materialise and are deemed appropriate by the Board	23.5	70.1%	16.9	50.4%
General working capital	8.6	25.7%	9.4	28.0%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	26.9	80.2%

Note:

The numbers in the table above may not exactly add up due to rounding.

The breakdown of the total use of proceeds by the Group for general working capital purposes is as follows:

	Amount (S\$ m)
<b>Amount utilised as working capital:</b>	
Trade purchases	9.3
Legal and professional fees	0.1
Total	<b>9.4</b>

The Board is of the view that the above utilisation is in accordance with the intended use disclosed in the aforementioned announcement dated 2 October 2013.

The Board is also pleased to announce that due to the Company's prudent management of financial resources and negotiations with vendors, there is a balance of approximately S\$0.8 million from the approximately S\$1.4 million which was originally allocated to pay for expenses incurred in connection with the Private Placement. The Board, after deliberation, deemed it in the best interests of the Company and its shareholders to re-deploy the said balance amount for general working capital purposes.

The Company will make further announcements via SGXNET as and when the balance of the Private Placement proceeds are materially disbursed in accordance with Rule 704(30) of the Listing Manual of the SGX-ST.

**15 Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**16. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

To the best of knowledge of the Board of Directors of the Company (the “Board”), nothing has come to the attention of the Board which may render the interim financial statements of the Company and the Group for 1H2022 presented in this announcement, to be false or misleading in any material aspect.

**By Order of the Board**

Tan Poh Lan  
Group CEO and Executive Director  
11 August 2022