

**Unaudited Financial Statements and Dividend Announcement  
For the Second Half and Twelve Months Ended 31 May 2020**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group					
	2nd Half Ended			12 months Ended		
	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Unaudited) S\$'000	Change %	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000	Change %
Revenue	6,954	9,848	-29.4%	16,723	18,318	-8.7%
<b>Other items of income</b>						
Other income	845	415	103.6%	1,306	644	102.8%
Fair value gain on derivative financial instruments	1,921	-	N.M.	1,921	-	N.M.
Gain arising from deemed disposal in associates	-	128	N.M.	-	128	N.M.
Gain on disposal of investment in an associate	-	366	N.M.	-	366	N.M.
Gain on disposal of investments in subsidiaries	544	-	N.M.	196	-	N.M.
Gain on re-measurement of investment to fair value upon cessation of equity accounting	-	2,970	N.M.	-	2,970	N.M.
<b>Items of expense</b>						
Changes in inventories	198	(15)	N.M.	262	116	125.9%
Inventories, consumables and surgery expenses	(1,075)	(1,082)	-0.6%	(2,197)	(2,112)	4.0%
Employee benefits expenses	(2,639)	(3,365)	-21.6%	(5,965)	(6,475)	-7.9%
Fair value change on financial assets at FVTPL	(1,376)	(150)	817.3%	(1,977)	(150)	1218.0%
Fair value loss on derivative financial instruments	-	(550)	N.M.	-	(550)	N.M.
Depreciation and amortisation expenses	(757)	(229)	230.6%	(1,321)	(428)	208.6%
Operating lease expenses	(5)	(517)	-99.0%	(161)	(1,054)	-84.7%
Other expenses	(2,186)	(1,418)	54.2%	(3,068)	(2,232)	37.5%
Finance costs	(775)	(21)	3590.5%	(896)	(56)	1500.0%
Share of results of an associate, net of tax	-	(93)	N.M.	-	(41)	N.M.
Profit before income tax	1,649	6,287	-73.8%	4,823	9,444	-48.9%
Income tax expense	(184)	(560)	-67.1%	(783)	(1,018)	-23.1%
<b>Profit for the financial period/year, representing total comprehensive income for the financial period/year</b>	<b>1,465</b>	<b>5,727</b>	<b>-74.4%</b>	<b>4,040</b>	<b>8,426</b>	<b>-52.1%</b>
<b>Profit and total comprehensive income attributable to:</b>						
Owners of the parent	1,332	5,042	-73.6%	3,498	7,206	-51.5%
Non-controlling interests	133	685	-80.6%	542	1,220	-55.6%
	<b>1,465</b>	<b>5,727</b>	<b>-74.4%</b>	<b>4,040</b>	<b>8,426</b>	<b>-52.1%</b>

N.M. – Not meaningful

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial period/year is stated after charging/(crediting) the following:	2nd Half Ended		12 months Ended	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	(Unaudited) S\$'000	(Unaudited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
Allowance for impairment loss on doubtful third parties trade receivables	17	-	17	-
Allowance for impairment loss on goodwill	722	415	722	415
Allowance for impairment loss on plant and equipment	41	-	41	-
Allowance for impairment loss on right-of-use assets	95	-	95	-
Amortisation of intangible assets	5	6	10	13
Bad third parties trade receivables written off	3	2	3	2
Depreciation of plant and equipment	224	223	414	415
Depreciation of right-of-use assets	528	-	897	-
Fair value (gain)/loss on derivative financial instruments	(1,921)	550	(1,921)	550
Fair value change on financial assets at FVTPL	1,376	150	1,977	150
Gain arising from deemed disposal in associates	-	(128)	-	(128)
Gain on disposal of investment in an associate	-	(366)	-	(366)
Gain on disposal of investments in subsidiaries	(544)	-	(196)	-
(Gain)/Loss on disposal of plant and equipment	6	(26)	(5)	(26)
Gain on lease modification	(5)	-	(5)	-
Gain on re-measurement of investment to fair value upon cessation of equity accounting	-	(2,970)	-	(2,970)

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

	Group		Company	
	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	1,875	1,099	34	47
Intangible assets	4,061	5,863	8	-
Right-of-use assets	2,612	-	126	-
Investments in subsidiaries	-	-	5,261	6,218
Investment in associate	480	-	480	-
Investment in joint venture	90	90	90	90
Debt instruments at amortised cost	2,000	2,000	2,000	2,000
Financial assets at FVTPL	7,813	9,211	7,813	9,211
Deferred tax assets	12	2	-	-
Derivative financial instruments	1,921	-	2,463	542
Advance payments	15	139	15	139
Other receivables	564	536	884	536
	21,443	18,940	19,174	18,783
<b>Current assets</b>				
Inventories	470	311	-	-
Trade and other receivables	1,382	2,148	2,655	2,309
Prepayments	321	186	114	68
Cash and bank balances	6,788	5,027	4,347	2,061
	8,961	7,672	7,116	4,438
<b>Total assets</b>	<b>30,404</b>	<b>26,612</b>	<b>26,290</b>	<b>23,221</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	15,419	14,433	15,419	14,433
Treasury shares	(541)	(541)	(541)	(541)
Merger reserve	(815)	(815)	-	-
Capital reserve	(7)	(7)	(7)	(7)
Other reserve	(5,694)	(829)	-	-
Retained earnings	7,918	7,631	3,775	6,804
<b>Equity attributable to owners of the parent</b>	<b>16,280</b>	<b>19,872</b>	<b>18,646</b>	<b>20,689</b>
Non-controlling interests	265	410	-	-
<b>Total equity</b>	<b>16,545</b>	<b>20,282</b>	<b>18,646</b>	<b>20,689</b>

	Group		Company	
	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000
<b>Non-current liabilities</b>				
Bank borrowings	5,000	-	5,000	-
Deferred tax liabilities	95	72	-	-
Derivative financial instruments	28	619	259	834
Other financial liabilities	2,417	829	-	-
Lease liabilities	1,848	-	353	-
Provisions	85	123	21	21
	<u>9,473</u>	<u>1,643</u>	<u>5,633</u>	<u>855</u>
<b>Current liabilities</b>				
Trade and other payables	2,610	3,160	1,570	1,080
Lease liabilities	880	-	257	-
Bank borrowings	-	500	-	500
Provisions	37	-	-	-
Current income tax payable	859	1,027	184	97
	<u>4,386</u>	<u>4,687</u>	<u>2,011</u>	<u>1,677</u>
<b>Total liabilities</b>	<u>13,859</u>	<u>6,330</u>	<u>7,644</u>	<u>2,532</u>
<b>Total equity and liabilities</b>	<u>30,404</u>	<u>26,612</u>	<u>26,290</u>	<u>23,221</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>As at 31 May 2020 (Unaudited)</b>		<b>As at 31 May 2019 (Audited)</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	500

**Amount repayable after one year**

<b>As at 31 May 2020 (Unaudited)</b>		<b>As at 31 May 2019 (Audited)</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	5,000	-	-

**Details of collaterals**

Not applicable.

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

**Consolidated Statement of Cash Flows**

	2nd Half Ended		12 months Ended	
	31 May 2020 (Unaudited)	31 May 2019 (Unaudited)	31 May 2020 (Unaudited)	31 May 2019 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	1,649	6,287	4,823	9,444
Adjustments for:				
Allowance for impairment loss on doubtful third parties trade receivables	17	-	17	-
Allowance for impairment loss on goodwill	722	415	722	415
Allowance for impairment loss on plant and equipment	41	-	41	-
Allowance for impairment loss on right-of-use assets	95	-	95	-
Amortisation of intangible assets	5	6	10	13
Bad third parties trade receivables written off	3	2	3	2
Depreciation of plant and equipment	224	223	414	415
Depreciation of right-of-use assets	528	-	897	-
Dividend income	(268)	(253)	(521)	(253)
Fair value (gain)/loss on derivative financial instruments	(1,921)	550	(1,921)	550
Fair value change on financial assets at FVTPL	1,376	150	1,977	150
Gain arising from deemed disposal in associates	-	(128)	-	(128)
Gain on disposal of investment in an associate	-	(366)	-	(366)
Gain on disposal of investments in subsidiaries	(544)	-	(196)	-
(Gain)/Loss on disposal of plant and equipment	6	(26)	(5)	(26)
Gain on lease modification	(5)	-	(5)	-
Gain on re-measurement of investment to fair value upon cessation of equity accounting	-	(2,970)	-	(2,970)
Interest income	(77)	(67)	(166)	(131)
Interest expense	731	21	813	56
Inventories written off	5	4	11	4
Lease interest	44	-	83	-
Loss from redemption of redeemable convertible loan	417	-	417	-
Plant and equipment written off	-	80	5	80
Share of results of an associate, net of tax	-	93	-	41
Operating cash flows before working capital changes	3,048	4,021	7,514	7,296
Working capital changes:				
Inventories	(203)	42	(242)	(91)
Trade and other receivables	645	(309)	504	(397)
Prepayments	(43)	18	(157)	37
Trade and other payables	135	920	(317)	467
Cash generated from operations	3,582	4,692	7,302	7,312
Income tax paid	(347)	(215)	(828)	(544)
Net cash from operating activities	3,235	4,477	6,474	6,768

	2nd Half Ended		12 months Ended	
	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Unaudited) S\$'000	31 May 2020 (Unaudited) S\$'000	31 May 2019 (Audited) S\$'000
<b>Investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	-	(30)	(2,877)	(591)
Advance payments for acquisition of investment	(15)	(139)	(15)	(139)
Dividend received from a joint venture	16	-	16	-
Dividend received from financial assets at FVTPL	252	253	505	253
Interest received	63	67	138	131
Investment in an associate	-	-	(341)	(56)
Investment in financial assets at FVTPL	-	(64)	-	(64)
Investment in a joint venture	-	(1)	-	(1)
Loans to a joint venture	-	(625)	-	(625)
Proceeds from disposal of plant and equipment	-	124	19	124
Proceeds from disposal of investment in associate	-	1,000	-	1,000
Purchase of intangible assets	(8)	-	(8)	(4)
Purchase of plant and equipment	(404)	(230)	(1,268)	(295)
Net cash (used in)/from investing activities	(96)	355	(3,831)	(267)
<b>Financing activities</b>				
Dividends paid to owners of the parent	(1,957)	(1,490)	(3,743)	(2,982)
Dividends paid to non-controlling interests	(44)	(729)	(516)	(1,248)
Interest paid	(84)	(21)	(91)	(56)
Proceeds from bank borrowings	5,000	-	5,000	-
Proceeds from redeemable convertible loan	-	-	5,000	-
Purchase of treasury shares	-	(225)	-	(426)
Redemption of redeemable convertible loan	(5,196)	-	(5,196)	-
Repayment of bank borrowings	(125)	(1,375)	(500)	(1,750)
Repayment of obligations under leases	(470)	-	(836)	-
Net cash used in financing activities	(2,876)	(3,840)	(882)	(6,462)
Net change in cash and cash equivalents	263	992	1,761	39
Cash and cash equivalents at beginning of financial period/year	6,525	4,035	5,027	4,988
Cash and cash equivalents at end of financial period/year	6,788	5,027	6,788	5,027

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

**Consolidated Statement of Changes in Equity Group**

(Unaudited)

	Share capital	Treasury shares	Merger reserve	Capital reserve	Other reserve	Equity component of convertible bond	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 June 2019	14,433	(541)	(815)	(7)	(829)	-	7,631	19,872	410	20,282
<b>Profit for the financial year</b>	-	-	-	-	-	-	3,498	3,498	542	4,040
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	-	3,498	3,498	542	4,040
<b>Contributions by and distributions to owners</b>										
Issue of shares	986	-	-	-	-	-	-	986	-	986
Dividends	-	-	-	-	-	-	(3,743)	(3,743)	-	(3,743)
<b>Total transactions with owners</b>	986	-	-	-	-	-	(3,743)	(2,757)	-	(2,757)
<b>Transactions with non-controlling interests</b>										
Acquisition of non-controlling interests	-	-	-	-	(3,766)	-	-	(3,766)	(98)	(3,864)
Share of loss in disposal of investment in a subsidiary	-	-	-	-	-	-	-	-	(73)	(73)
Dividends	-	-	-	-	-	-	-	-	(516)	(516)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	(3,766)	-	-	(3,766)	(687)	(4,453)
<b>Others</b>										
Initial recognition of equity component of convertible bond	-	-	-	-	-	532	-	532	-	532
De-recognition of equity component of convertible bond	-	-	-	-	-	(532)	532	-	-	-
Present value of forward purchase contract	-	-	-	-	(1,099)	-	-	(1,099)	-	(1,099)
<b>Total others</b>	-	-	-	-	(1,099)	-	532	(567)	-	(567)
Balance at 31 May 2020	15,419	(541)	(815)	(7)	(5,694)	-	7,918	16,280	265	16,545



**Group**  
**(Unaudited)**

	Share capital	Treasury shares	Merger reserve	Capital reserve	Other reserve	Equity component of convertible bond	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 December 2019	15,419	(541)	(815)	(7)	(4,647)	-	8,011	17,420	282	17,702
<b>Profit for the financial period</b>	-	-	-	-	-	-	1,332	1,332	133	1,465
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	-	1,332	1,332	133	1,465
<b>Contributions by and distributions to owners</b>										
Dividends	-	-	-	-	-	-	(1,957)	(1,957)	-	(1,957)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(1,957)	(1,957)	-	(1,957)
<b>Transactions with non-controlling interests</b>										
Acquisition of non-controlling interests	-	-	-	-	52	-	-	52	(52)	-
Share of loss in disposal of investment in a subsidiary	-	-	-	-	-	-	-	-	(54)	(54)
Dividends	-	-	-	-	-	-	-	-	(44)	(44)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	52	-	-	52	(150)	(98)
<b>Others</b>										
Initial recognition of equity component of convertible bond	-	-	-	-	-	532	-	532	-	532
De-recognition of equity component of convertible bond	-	-	-	-	-	(532)	532	-	-	-
Present value of forward purchase contract	-	-	-	-	(1,099)	-	-	(1,099)	-	(1,099)
<b>Total others</b>	-	-	-	-	(1,099)	-	532	(567)	-	(567)
Balance at 31 May 2020	15,419	(541)	(815)	(7)	(5,694)	-	7,918	16,280	265	16,545

**Group**  
**(Audited)**

	Share capital	Treasury shares	Merger reserve	Capital reserve	Other reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 June 2018	14,433	(321)	(815)	-	-	3,407	16,704	404	17,108
<b>Profit for the financial year</b>	-	-	-	-	-	7,206	7,206	1,220	8,426
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	7,206	7,206	1,220	8,426
<b>Contributions by and distributions to owners</b>									
Acquisition of a subsidiary	-	206	-	(7)	-	-	199	-	199
Purchase of treasury shares	-	(426)	-	-	-	-	(426)	-	(426)
Dividends	-	-	-	-	-	(2,982)	(2,982)	-	(2,982)
<b>Total transactions with owners</b>	-	(220)	-	(7)	-	(2,982)	(3,209)	-	(3,209)
<b>Transactions with non-controlling interests</b>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	34	34
Dividends	-	-	-	-	-	-	-	(1,248)	(1,248)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	-	(1,214)	(1,214)
<b>Others</b>									
Present value of forward purchase contract	-	-	-	-	(829)	-	(829)	-	(829)
<b>Total others</b>	-	-	-	-	(829)	-	(829)	-	(829)
Balance at 31 May 2019	14,433	(541)	(815)	(7)	(829)	7,631	19,872	410	20,282

**Group  
(Unaudited)**

	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Capital reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance at 1 December 2018	14,433	(316)	(815)	(7)	-	4,079	17,374	402	17,776
<b>Profit for the financial period</b>	-	-	-	-	-	5,042	5,042	685	5,727
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	5,042	5,042	685	5,727
<b>Contributions by and distributions to owners</b>									
Purchase of treasury shares	-	(225)	-	-	-	-	(225)	-	(225)
Dividends	-	-	-	-	-	(1,490)	(1,490)	-	(1,490)
<b>Total transactions with owners</b>	-	(225)	-	-	-	(1,490)	(1,715)	-	(1,715)
<b>Transactions with non-controlling interests</b>									
Acquisition of non-controlling interests	-	-	-	-	-	-	-	52	52
Dividends	-	-	-	-	-	-	-	(729)	(729)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	-	(677)	(677)
<b>Others</b>									
Present value of forward purchase contract	-	-	-	-	(829)	-	(829)	-	(829)
<b>Total others</b>	-	-	-	-	(829)	-	(829)	-	(829)
Balance at 31 May 2019	14,433	(541)	(815)	(7)	(829)	7,631	19,872	410	20,282

**Statement of Changes in Equity  
Company**

(Unaudited)

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Equity component of convertible bond S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 June 2019	14,433	(541)	(7)	-	6,804	20,689
<b>Profit for the financial year</b>	-	-	-	-	182	182
<b>Total comprehensive income for the financial year</b>	-	-	-	-	182	182
<b>Contributions by and distributions to owners</b>						
Issue of shares	986	-	-	-	-	986
Dividends	-	-	-	-	(3,743)	(3,743)
<b>Total transactions with owners</b>	986	-	-	-	(3,743)	(2,757)
<b>Others</b>						
Initial recognition of equity component of convertible bond				532	-	532
De-recognition of equity component of convertible bond	-	-	-	(532)	532	-
<b>Total others</b>	-	-	-	-	532	532
Balance at 31 May 2020	15,419	(541)	(7)	-	3,775	18,646

(Unaudited)

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Equity component of convertible bond S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 December 2019	15,419	(541)	(7)	-	6,453	21,324
<b>Profit for the financial period</b>	-	-	-	-	(1,253)	(1,253)
<b>Total comprehensive income for the financial period</b>	-	-	-	-	(1,253)	(1,253)
<b>Contributions by and distributions to owners</b>						
Dividends	-	-	-	-	(1,957)	(1,957)
<b>Total transactions with owners</b>	-	-	-	-	(1,957)	(1,957)
<b>Others</b>						
Initial recognition of equity component of convertible bond				532	-	532
De-recognition of equity component of convertible bond	-	-	-	(532)	532	-
<b>Total others</b>	-	-	-	-	532	532
Balance at 31 May 2020	15,419	(541)	(7)	-	3,775	18,646

<b>Company</b>					
<b>(Audited)</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 June 2018	14,433	(321)	-	2,674	16,786
<b>Profit for the financial year</b>	-	-	-	7,112	7,112
<b>Total comprehensive income for the financial year</b>	-	-	-	7,112	7,112
<b>Contributions by and distributions to owners</b>					
Issue of shares	-	206	(7)	-	199
Purchase of treasury shares	-	(426)	-	-	(426)
Dividends	-	-	-	(2,982)	(2,982)
<b>Total transactions with owners</b>	-	(220)	(7)	(2,982)	(3,209)
Balance at 31 May 2019	14,433	(541)	(7)	6,804	20,689

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 December 2018	14,433	(316)	(7)	2,732	16,842
<b>Profit for the financial period</b>	-	-	-	5,562	5,562
<b>Total comprehensive income for the financial period</b>	-	-	-	5,562	5,562
<b>Contributions by and distributions to owners</b>					
Purchase of treasury shares	-	(225)	-	-	(225)
Dividends	-	-	-	(1,490)	(1,490)
<b>Total transactions with owners</b>	-	(225)	-	(1,490)	(1,715)
Balance at 31 May 2019	14,433	(541)	(7)	6,804	20,689

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

**Share Capital – Ordinary Shares**

The Company’s issued and fully paid-up capital (excluding treasury shares) as at 31 May 2020 comprised 150,565,730 (30 November 2019: 150,565,730) ordinary shares.

**Outstanding Convertibles**

The Company had issued S\$5,000,000 convertible bonds to Vanda 1 Investments Pte. Ltd. (“Vanda 1”) in August 2019, which have been fully redeemed as at 31 May 2020 (31 May 2019: S\$Nil).

**Treasury Shares**

There were 829,900 treasury shares (representing 0.55% of the Company’s 150,565,730 ordinary shares (excluding treasury shares)) as at 31 May 2020 and 829,900 treasury shares (representing 0.56% of the Company’s 148,805,730 ordinary shares (excluding treasury shares)) as at 31 May 2019.

**Subsidiary Holdings**

There were no subsidiary holdings as at 31 May 2020 and 31 May 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 31 May 2020	As at 31 May 2019
Total number of issued shares excluding treasury shares	150,565,730	148,805,730

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

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

**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 qualifications or emphasis of a matter)**

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

**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.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**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 paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 May 2019.

**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 and the Company have adopted the new SFRS(I) 16 Leases on 1 June 2019, using the modified retrospective approach in accordance with the transitional provisions, and therefore recognised leases on the statement of financial position as at 1 June 2019.

SFRS(I) 16 introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. It requires lessees to capitalise all leases on the statement of financial position by recognising a "right-of-use" asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-

term leases and leases of low-value assets.

The Group and the Company have not restated comparatives for the previous reporting period as permitted under the specific transition provisions in SFRS(I) 16. The Group and the Company capitalised its operating leases on office premises and clinic spaces on the consolidated statement of financial position by recognising them as “right-of-use” assets of approximately S\$1,664,443 and their corresponding lease liabilities for the present value of future lease payments of approximately S\$1,664,443. Subsequently, the lease assets will be depreciated over the lease term on a straight-line basis and the lease liabilities will be measured at amortised cost.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per share (“EPS”)	Group			
	Second Half Ended		Twelve Months Ended	
	31-May-20 (Unaudited)	31-May-19 (Unaudited)	31-May-20 (Unaudited)	31-May-19 (Audited)
Profit attributable to owners of the parent (S\$)	1,332,000	5,042,000	3,498,000	7,206,000
Weighted average number of ordinary shares in issue	150,565,730	148,805,730 <sup>(2)</sup>	149,930,976 <sup>(1)</sup>	149,041,566 <sup>(2)</sup>
Basic EPS (cents per share)	0.88	3.39	2.33	4.83
Fully diluted EPS (cents per share) <sup>(3)</sup>	0.88	3.39	2.33	4.83

Notes:-

- (1) The weighted average number of ordinary shares in issue for the twelve months ended 31 May 2020 was computed based on 148,805,730 ordinary shares as at 1 June 2019 and adjusted for the issue of 1,760,000 new ordinary shares to Dr. Julian Ong on 11 October 2019 as satisfaction of the consideration shares for the acquisition of an additional 19.0% of the equity interest in Julian Ong Endoscopy & Surgery Pte. Ltd. (“JOES”).
- (2) The weighted average number of ordinary shares in issue for the second half and twelve months ended 31 May 2019 was computed based on 149,175,730 ordinary shares as at 1 June 2018 and adjusted for (i) the purchase of 670,000 treasury shares; and (ii) the transfer of 300,000 treasury shares to Dr. Jason Lim as satisfaction of the consideration for the acquisition of 51% of the equity interest in Jason Lim Endoscopy and Surgery Pte. Ltd.

Items (i) were purchased on 23 July 2018 comprising 300,000 treasury shares, 7 December 2018 comprising 180,000 treasury shares, 10 April 2019 comprising 100,000 treasury shares, and 11 April 2019 comprising 90,000 treasury shares; and (ii) was transferred to Dr. Jason Lim on 17 August 2018.

- (3) EPS on a fully diluted basis for the second half and twelve months ended 31 May 2020 and the second half and twelve months ended 31 May 2019 is the same as the basic EPS because the Company did not have any potentially dilutive ordinary shares as at the end of the respective financial periods.



7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
- (a) Current financial period reported on; and
- (b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	31-May-20 (Unaudited)	31-May-19 (Audited)	31-May-20 (Unaudited)	31-May-19 (Audited)
NAV (S\$)	16,280,000	19,872,000	18,646,000	20,689,000
Number of ordinary shares in issue (excluding treasury shares)	150,565,730	148,805,730	150,565,730	148,805,730
NAV per ordinary share (S\$ cents)	10.81	13.35	12.38	13.90

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

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*Review for the performance of the Group for the financial year ended 31 May 2020 ("FY2020") as compared to the year ended 31 May 2019 ("FY2019").*

The decrease in revenue of S\$1.60 million was due to the disposal of investments in subsidiaries, HMC Medical Pte. Ltd. ("HMC") in July 2019 and CTK Tan Surgery Pte. Ltd. ("CTK") in September 2019 and the circuit breaker measures of COVID-19 pandemic in April and May 2020. This was partially offset by the increase in revenue from existing subsidiaries.

Other income increased by S\$662,000 mainly due to higher dividend income from investment in financial assets at fair value through profit or loss ("FVTPL") of S\$252,000; higher government grants (including the Jobs Support Scheme) of S\$243,000; and dividend from joint venture of S\$16,000.

Fair value gain on derivative financial instruments ("DFI") of S\$1.92 million arose mainly due to recognition of financial assets for put option of a subsidiary and forward purchase contract of an associate. The fair value loss on DFI in FY2019 related to the fair value on forward purchase contracts of subsidiaries.

Gain on disposal of investments in subsidiaries of S\$0.20 million related to the disposal of investments in HMC and CTK.

Gain on re-measurement of investment to fair value upon cessation of equity accounting of S\$2.97 million in FY2019 arose due to fair value movement upon recognition of financial assets at FVTPL following a de-recognition of investment in an associate in December 2018. There is no gain on re-measurement of investment to fair value upon cessation of equity accounting recorded in FY2020.

Employee benefits expenses decreased by S\$510,000 due to lower provision of bonus for the current financial year.

Fair value change on financial assets at FVTPL of S\$1.98 million due mainly to the drop in share price of Medinex Limited, in which the Company holds a direct interest of 22.92% and a deemed interest of 9.50% of the total issued share capital.

The increase in depreciation and amortisation expenses by S\$0.89 million was due to the recognition of lease liabilities upon the adoption of SFRS(I) 16. The increase is in line with the decrease in operating lease expenses by S\$0.89 million.

Other expenses increased by S\$836,000 mainly due to allowance for impairment loss on goodwill of S\$722,000 (FY2019: S\$415,000); loss on de-recognition of convertible bond of S\$417,000; and allowance for impairment loss of right-of-use assets and plant and equipment of S\$95,000 and S\$41,000 respectively.

Finance costs increased by S\$840,000 mainly due to interest paid and finance cost for the equity component on the Company's S\$5,000,000 redeemable convertible bonds with Vanda 1 of S\$196,000 and S\$116,000 respectively, which was fully redeemed during the year; and finance cost on the re-measurement of a DFI on a forward purchase contract of a subsidiary of S\$488,000.

As a result of the abovementioned, profit before income tax decreased by S\$4,621,000 or approximately 48.9% in FY2020 as compared to FY2019.

Income tax expense decreased by S\$235,000 or approximately 23.1% due to lower taxable profit recorded in FY2020 as compared to FY2019.

As a result of the abovementioned, profit after income tax decreased by S\$4,386,000 or approximately 52.1% in FY2020.

#### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 May 2020 and 31 May 2019.***

Plant and equipment increased from S\$1.10 million to S\$1.88 million due to additions of plant and equipment for new clinics partially offset by an allowance for impairment loss on plant and equipment.

Intangible assets comprise of goodwill and computer software. The decrease in intangible assets from S\$5.86 million to S\$4.06 million was primarily due to the decrease in goodwill of S\$1.08 million from the disposal of investments in HMC and CTK; and an allowance for impairment loss on goodwill of a subsidiary of S\$0.72 million.

Right-of-use assets of S\$2.61 million arose from the adoption of SFRS(I) 16.

Investment in associate arose from the investment in Medistar Services Pte. Ltd. ("**Medistar**") of S\$480,000 in July 2019.

Financial assets at FVTPL decreased mainly due to change in fair value of S\$1,398,000.

Derivative financial instruments classified under assets increased by S\$1,921,000 due to recognition of financial assets for put option of a subsidiary and forward purchase contract of an associate.

Advance payments comprise of payment for proposed acquisition of a subsidiary (FY2019: an associate). The decrease from S\$139,000 to S\$15,000 was mainly due to lower advance payment made during the year.

Inventories increased by S\$159,000 due to an increase in medication and consumables purchased during the year, coupled with lower revenue towards the end of the financial year due to the circuit breaker measures in place.

Trade and other receivables decreased by S\$766,000 mainly due to a decrease in trade receivables outstanding from patients in line with lower revenue.

Prepayments increased by S\$135,000 due to advance payment for purchase of medical equipment for an existing clinic and other expenses.

Other reserve decreased by S\$4.87 million due to (i) acquisition of additional 19.0% equity interest in JOES in October 2019 and 16.7% equity interest in Medical Services @ Tampines Pte. Ltd. ("**MST**") in September 2019; and (ii) recognition of financial liability for forward purchase contract of a subsidiary.

Derivative financial instruments classified under liabilities decreased by S\$591,000 due to the disposal of HMC and CTK.

Other financial liabilities comprise present value of forward purchase contracts of subsidiaries relating to certain contractual payment obligations due under the acquisition terms for the relevant subsidiaries. The increase from S\$0.83 million to S\$2.42 million was due to re-measurement of financial liabilities of these forward purchase contracts.

Non-current bank borrowings amounted to S\$5 million were drawn down during FY2020 for working capital purpose whereas the decrease in current bank borrowings of S\$500,000 is due to the repayments of short-term loans.

Current and non-current lease liabilities of S\$2.73 million arose from the adoption of SFRS(I) 16.

Trade and other payables decreased by S\$0.55 million mainly due to lower provision of bonus for the current financial year.

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

### ***Review for the performance of the Group for the financial year ended 31 May 2020 ("FY2020") as compared to the year ended 31 May 2019 ("FY2019").***

The Group recorded net cash from operating activities of S\$6,474,000 in FY2020 as compared to net cash from operating activities of S\$6,768,000 in FY2019, due to higher operating payments.

In FY2020, net cash used in investing activities was primarily related to the acquisition of additional equity interest in JOES and MST of S\$2,877,000 and the purchase of plant and equipment for new clinics of S\$1,268,000.

Net cash used in financing activities in FY2020 mainly related to (i) the payment of FY2019 final dividends of S\$1,786,000 and FY2020 interim dividends of S\$1,957,000 to shareholders; (ii) dividends paid to non-controlling interests of S\$516,000; (iii) repayments of bank borrowings of S\$500,000; and (iv) repayments of obligations under leases of S\$836,000.

Overall, the Group recorded a net increase in cash and cash equivalents of S\$1,761,000 in FY2020, resulting in cash and cash equivalents of S\$6,788,000 as at 31 May 2020.

**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 a prospect statement has been disclosed previously.

**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.**

Towards the end of FY2020, the Group's performance was adversely affected by the impact of COVID-19 pandemic which has severely disrupted the business activities not only in Singapore but also globally. The pandemic may continue to affect the Group in the next 12 months, hence the Group will stay vigilant and focus on driving revenue, improving operating efficiencies in a bid to contain costs.

In July 2020, the Group welcomed its first female surgeon, Dr. Goh Minghui, who operates in Camden Centre and our heartland centres. The Group will continue to look for opportunities and suitable partners in its expansion plans, in addition to the ongoing search for young, talented specialists to join the Group to reinforce the Group's specialist platform to support the next

generation of specialists.

## 11. Dividend

If a decision regarding dividend has been made: -

- (a) Whether an interim (final) dividend has been declared (recommended); and

Yes.

The following interim dividend was declared for the 6 months ended 30 November 2019 and paid on 30 January 2020.

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	1.3 cents per ordinary share (one tier tax exempt)
Tax Rate	Tax Exempt

The Directors are recommending a final dividend for FY2020 which will be subject to shareholders' approval at the forthcoming annual general meeting to be held in September 2020.

Name of Dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	0.70 cents per ordinary share (one tier tax exempt)
Tax Rate	Tax Exempt

If approved, the final dividend of 0.70 cents per share including the interim dividend of 1.3 cents per share paid on 30 January 2020 would bring the total dividends for the financial year ended 31 May 2020 to 2.0 cents per share.

- (b) Previous corresponding period (cents)

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	1.0 cents per ordinary share (one tier tax exempt)
Tax Rate	Tax Exempt

Name of Dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	1.2 cents per ordinary share (one tier tax exempt)
Tax Rate	Tax Exempt

- (c) The date the dividend is payable.

The Directors are pleased to recommend a final dividend of 0.70 cents per ordinary share amounting approximately to S\$1,057,000 in respect of the financial year ended 31 May 2020 for approval by the shareholders at the next Annual General Meeting to be convened on 29 September 2020.

The date of payment of the proposed final dividend, if approved at the Annual General Meeting, will be announced at a later date.

- (d) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

The books closure date will be announced at a later date.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions.

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)</b>
Chee & Heah Surgical Associates Pte. Ltd. <sup>(1)</sup>	479	-
Farrer Park Holdings Pte. Ltd. <sup>(2)</sup>	181	-
CH Hillford Investments Pte. Ltd. <sup>(3)</sup>	140	-

Note:-

- (1) Rental of approximately half of the entire clinic space at 3 Mount Elizabeth #12-06 Mount Elizabeth Hospital Singapore 228510 from Chee & Heah Surgical Associates Pte. Ltd., which is 50% owned by Dr. Heah Sieu Min ("**HSM**"), the Executive Director and Chief Executive Officer of the Company. Please refer to announcement made on 10 January 2020.
- (2) Rental of entire clinic space at 1 Farrer Park Station Road #13-13 Connexion Singapore 217562 from Farrer Park Holdings Pte. Ltd., which is 100% owned by Dr. Chia Kok Hoong ("**CKH**"), the Executive

Director of the Company.

- (3) Rental of entire clinic space at 182 Jalan Jurong Kechil #01-66 The Hillford Singapore 596152 from CH Hillford Investments Pte. Ltd., which is 50% owned by HSM and 50% owned by CKH, the Executive Directors of the Company.

#### 14. Use of Proceeds from Convertible Bonds

The Company refers to the net cash proceeds amounting to S\$5 million received from the issuance of convertible bonds to Vanda 1 in August 2019.

As at 31 May 2020, the convertible bonds have been fully redeemed.

#### 15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuers most recently audited manual financial statements, with comparative information for the immediately preceding year

(a) **Business segments**

Not applicable, the Group has only a single business segment.

(b) **Geographical segment**

Not applicable, the Group has only one geographical segment.

#### 16. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable as the Group only has a single business and geographical segment. Please refer to paragraph 8 for the review of the Group's performance.

#### 17. Breakdown of Group's revenue and profit after tax for first half year and second half year

	<b>FY2020</b>	<b>FY2019</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Sales reported for first half year	9,769	8,470	15.3
(b) Operating profit after tax before deducting minority interests reported for first half year	2,575	2,699	(4.6)
(c) Sales reported for second half year	6,954	9,848	(29.4)
(d) Operating profit after tax before deducting minority interest reported for second half year	1,465	5,727	(74.4)

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>FY2020</b>	<b>FY2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary shares (tax exempt 1- tier)		
- Interim	1,957	1,490
- Final (Proposed)	1,057 <sup>(1)</sup>	1,786
<b>Total Annual Dividend</b>	<b>3,014</b>	<b>3,276</b>

Note:-

(1) The proposed final ordinary dividend for FY2020 is based on estimated number of shares outstanding as at 28 July 2020.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

**20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**BY ORDER OF THE BOARD**

Dr. Heah Sieu Min  
Executive Director and Chief Executive Officer  
28 July 2020



## **About HC Surgical Specialists Limited**

HC Surgical Specialists Limited (the "Company") was incorporated on 1 September 2015 in Singapore and listed on Catalist of the Singapore Exchange Securities Trading Limited on 3 November 2016. The Company, its subsidiaries and associated company are a medical services group primarily engaged in the provision of endoscopic procedures, including gastroscopies and colonoscopies and general surgery services with a focus on colorectal procedures across a network of 18 clinics located throughout Singapore.

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made; or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.