

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020 (UNAUDITED)
PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1 (a) Statement of Comprehensive Income

	2nd Half ended	2nd Half ended	Change	12 Months ended	12 Months ended	Change
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	10,084	10,118	<i>n.m.</i>	19,980	19,649	2
Less: Cost of sales	(2,421)	(2,707)	(11)	(4,815)	(5,143)	(6)
Gross profit	7,663	7,411	3	15,165	14,506	5
Less: Administrative expenses	(8,700)	(9,741)	(11)	(15,452)	(17,770)	(13)
Add: Other (expenses)/income, net	(58,099)	9,360	<i>n.m.</i>	(57,896)	10,921	<i>n.m.</i>
	(59,136)	7,030	<i>n.m.</i>	(58,183)	7,657	<i>n.m.</i>
Finance income	169	118	43	1,341	547	<i>n.m.</i>
Finance costs	(5,502)	(5,344)	3	(10,186)	(9,749)	5
Net finance costs	(5,333)	(5,226)	2	(8,845)	(9,202)	(4)
Share of results of equity-accounted Investees, net of tax	(37,283)	2,528	<i>n.m.</i>	(35,037)	7,299	<i>n.m.</i>
(Loss)/Profit before tax	(101,752)	4,332	<i>n.m.</i>	(102,065)	5,754	<i>n.m.</i>
Tax credit/(expense)	4,101	(1,428)	<i>n.m.</i>	2,873	(2,516)	<i>n.m.</i>
(Loss)/Profit after tax for the year	(97,651)	2,904	<i>n.m.</i>	(99,192)	3,238	<i>n.m.</i>
Other comprehensive income:						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences relating to foreign operations	35	(3,193)	<i>n.m.</i>	6,771	4,115	65
Share of foreign currency translation differences of equity-accounted investee	2,745	(2)	<i>n.m.</i>	2,783	(14)	<i>n.m.</i>
Share of fair value reserve of equity-accounted investee	(14,067)	(872)	<i>n.m.</i>	(22,389)	98	<i>n.m.</i>
Other comprehensive income, net of tax	(11,287)	(4,067)	<i>n.m.</i>	(12,835)	4,199	<i>n.m.</i>
Total comprehensive income for the year	(108,938)	(1,163)	<i>n.m.</i>	(112,027)	7,437	<i>n.m.</i>
(Loss)/Profit attributable to:						
Owners of the Company	(97,465)	3,023	<i>n.m.</i>	(98,726)	3,357	<i>n.m.</i>
Non-controlling interests	(186)	(119)	56	(466)	(119)	<i>n.m.</i>
	(97,651)	2,904	<i>n.m.</i>	(99,192)	3,238	<i>n.m.</i>
Total comprehensive income attributable to:						
Owners of the Company	(108,752)	(1,044)	<i>n.m.</i>	(111,561)	7,556	<i>n.m.</i>
Non-controlling interests	(186)	(119)	56	(466)	(119)	<i>n.m.</i>
	(108,938)	(1,163)	<i>n.m.</i>	(112,027)	7,437	<i>n.m.</i>

n.m. - Not meaningful

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS (Continued)

1(b) Statements of Financial Position

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Property, plant and equipment	12,528	36,262	789	358
Intangible assets and goodwill	3,004	4,851	-	-
Investment properties	308,749	299,770	-	-
Investment properties under development	74,492	91,237	-	-
Associate and joint ventures	134,686	173,547	23,607	40,553
Subsidiaries	-	-	84,092	116,692
Trade and other receivables	-	-	10,445	10,118
Non-current assets	533,459	605,667	118,933	167,721
Inventories	219	325	-	-
Trade and other receivables	14,244	50,815	271,852	349,345
Cash and cash equivalents	68,973	52,709	33,117	30
Current assets	83,436	103,849	304,969	349,375
Total assets	616,895	709,516	423,902	517,096
LIABILITIES				
Loans and borrowings	137,012	16,596	-	-
Trade and other payables	7,914	7,666	159	489
Lease liabilities	495	-	390	-
Deferred tax liabilities	39,179	40,792	-	-
Non-current liabilities	184,600	65,054	549	489
Loans and borrowings	218,689	324,855	195,601	195,601
Trade and other payables	38,784	36,586	96,849	64,446
Provisions	33,220	29,661	27,601	29,661
Lease liabilities	338	220	250	141
Current tax liabilities	27	38	-	-
Current liabilities	291,058	391,360	320,301	289,849
Total liabilities	475,658	456,414	320,850	290,338
NET ASSETS	141,237	253,102	103,052	226,758
EQUITY				
Share capital	418,913	418,913	418,913	418,913
Merger reserve	(65,742)	(65,742)	-	-
Asset revaluation reserve	3,630	3,630	-	-
Foreign currency translation reserve	5,901	(3,653)	-	-
Fair value reserve	(27,862)	(5,473)	-	-
Accumulated losses	(193,603)	(94,877)	(315,861)	(192,155)
Equity attributable to owner of the Company	141,237	252,798	103,052	226,758
Non-controlling interests	*	304	-	-
Total equity	141,237	253,102	103,052	226,758

* Less than \$1,000

Notes to the Financial Statements

1(a)(i) (Loss)/Profit before tax of the Group is arrived at after charging/(crediting):

	Group					
	2nd Half ended	2nd Half ended	Change	12 Months ended	12 Months ended	Change
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	424	620	(32)	946	1,277	(26)
Amortisation of intangible assets	-	111	<i>n.m.</i>	-	226	<i>n.m.</i>
Fair value losses/(gains) on investment properties	1,675	(706)	<i>n.m.</i>	1,675	(706)	<i>n.m.</i>
Fair value losses on investment properties under development	18,486	1,185	<i>n.m.</i>	18,486	1,185	<i>n.m.</i>
Impairment losses on goodwill	1,804	-	<i>n.m.</i>	1,804	-	<i>n.m.</i>
Impairment losses on property, plant and equipment	32,134	-	<i>n.m.</i>	32,134	-	<i>n.m.</i>
Impairment losses on joint venture investment	4,135	-	<i>n.m.</i>	4,135	-	<i>n.m.</i>
Trade and other receivables written off	610	-	<i>n.m.</i>	610	-	<i>n.m.</i>
Interest income	(169)	(118)	43	(296)	(232)	28
Interest expenses	4,986	4,936	1	10,186	9,749	5
Foreign exchange losses/(gains), net	516	409	26	(1,045)	(315)	<i>n.m.</i>
Reversal of provisions for legal and related expenses	-	(9,750)	<i>n.m.</i>	-	(9,750)	<i>n.m.</i>

1(a)(ii) Tax credit/(expense)

	Group					
	2nd Half ended	2nd Half ended	Change	12 Months ended	12 Months ended	Change
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax expense	(97)	(26)	<i>n.m.</i>	(105)	(38)	<i>n.m.</i>
Deferred tax credit/(expense)	4,198	(1,402)	<i>n.m.</i>	2,978	(2,478)	<i>n.m.</i>
Tax credit/(expense) for the year	4,101	(1,428)	<i>n.m.</i>	2,873	(2,516)	<i>n.m.</i>

1(b)(i) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group			Group		
	As at 31.12.2020			As at 31.12.2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	178,165	40,524	218,689	284,331	40,524	324,855
Amount repayable after one year	137,012	-	137,012	16,596	-	16,596

The secured borrowings of the Group as at 31 December 2020 comprised of term loans and bonds secured by the following:

- corporate guarantees from the Company;
- personal, joint and several guarantees by certain shareholders;
- a fixed charge over the total assets of a subsidiary of the Group which mainly comprised of investment properties and cash and cash equivalents;
- a charge created over an investment property under development of the Group;
- a debenture over the assets and rights of a subsidiary pertaining to a development project of the Group; and
- debenture over the Company's real property, tangible moveable property, the accounts, intellectual property, goodwill and rights in relation to the uncalled capital of the Company, investments, the shares, all dividends, interest and other monies payable in respect of the shares, all monetary claims other than any claims which are otherwise subject to a fixed charge or assignment pursuant to this debenture and all chattels hired, leased or rented from the Company by any other person.

1(c) Consolidated Statements of Cash Flows

	Group			
	2nd Half ended 31.12.2020 S\$'000	2nd Half ended 31.12.2019 S\$'000	12 Months ended 31.12.2020 S\$'000	12 Months ended 31.12.2019 S\$'000
Cash flows from operating activities				
(Loss)/Profit after tax	(97,651)	2,904	(99,192)	3,238
Adjustments for:				
Depreciation of property, plant and equipment	424	620	946	1,277
Amortisation of intangible assets	-	111	-	226
Fair value losses/(gains) on investment properties	1,675	(706)	1,675	(706)
Fair value losses on investment properties under development	18,486	1,185	18,486	1,185
Impairment losses on goodwill	1,804	-	1,804	-
Impairment losses on property, plant and equipment	32,134	-	32,134	-
Impairment losses on joint venture investment	4,135	-	4,135	-
Trade and other receivables written off	610	-	610	-
Loss on disposal of property, plant and equipment	-	-	23	-
Interest income	(169)	(118)	(296)	(232)
Interest expense	4,986	4,936	10,186	9,749
Reversal of provisions for legal and related expenses	-	(9,750)	-	(9,750)
Share of results of equity-accounted investees, net of tax	37,283	(2,528)	35,037	(7,299)
Tax (credit)/expense	(4,101)	1,428	(2,873)	2,516
	(384)	(1,918)	2,675	204
Changes in working capital:				
Inventories	20	146	106	(57)
Trade and other receivables	2,659	5,039	4,165	(3,068)
Trade and other payables	1,558	(3,500)	(5,815)	(1,358)
Cash generated from/(used in) operations	3,853	(233)	1,131	(4,279)
Tax paid	(69)	-	(116)	(1)
Net cash generated from/(used in) operating activities	3,784	(233)	1,015	(4,280)
Cash flows from investing activities				
Additions to investment properties	(971)	(990)	(971)	(1,371)
Purchase of property, plant and equipment	(754)	(148)	(1,372)	(1,129)
Fund received from Crest litigation	28,939	-	28,939	-
Dividends from an equity-accounted investee	1,212	3,595	5,364	7,189
Contribution from non-controlling interests	-	464	162	464
Acquisition of equity-accounted investees	-	(394)	(24,889)	(27,985)
Capital contribution in equity-accounted investees	-	-	(498)	-
Acquisition of subsidiaries, net of cash acquired	-	(1,335)	-	(1,335)
Advance to joint venture partner	-	(4,110)	-	(4,110)
Loan to joint venture	-	(2,712)	-	(2,712)
Proceeds from sale of property, plant and equipment	-	-	-	27
Net cash generated from/(used in) investing activities	28,426	(5,630)	6,735	(30,962)
Cash flows from financing activities				
Proceeds from borrowings	-	34,150	143,000	34,654
Repayment of borrowings	(2,920)	(2,250)	(131,946)	(4,449)
Payment of lease liability	(185)	(178)	(358)	(351)
Interest paid	(1,478)	(1,601)	(2,911)	(2,601)
Net cash (used in)/generated from financing activities	(4,583)	30,121	7,785	27,253
Net increase/(decrease) in cash and cash equivalents	27,627	24,258	15,535	(7,989)
Cash and cash equivalents at beginning of financial year	41,514	28,779	52,709	60,442
Effect of exchange rate fluctuations on cash and cash equivalents	(168)	(328)	729	256
Cash and cash equivalents at end of financial year	68,973	52,709	68,973	52,709

1(d) Statement of Changes in Equity

Attributable to owners of the Company

GROUP	Share capital S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2020	418,913	(65,742)	3,630	(3,653)	(5,473)	(94,877)	252,798	304	253,102
Total comprehensive income for the year									
Loss for the year	-	-	-	-	-	(98,726)	(98,726)	(466)	(99,192)
Other comprehensive income									
Foreign currency translation differences relating to foreign operations	-	-	-	6,771	-	-	6,771	-	6,771
Share of foreign currency translation differences of equity-accounted investee	-	-	-	2,783	-	-	2,783	-	2,783
Share of fair value reserve of equity-accounted investee	-	-	-	-	(22,389)	-	(22,389)	-	(22,389)
Total other comprehensive income, net of tax	-	-	-	9,554	(22,389)	-	(12,835)	-	(12,835)
Total comprehensive income for the year	-	-	-	9,554	(22,389)	(98,726)	(111,561)	(466)	(112,027)
Transactions with owners, recognised directly in equity									
Contribution from non-controlling interests	-	-	-	-	-	-	-	162	162
Total transactions with owners	-	-	-	-	-	-	-	162	162
At 31 December 2020	418,913	(65,742)	3,630	5,901	(27,862)	(193,603)	141,237	-	141,237

Attributable to owners of the Company

GROUP	Share capital S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 31 December 2018	418,913	(65,742)	3,630	(7,754)	(5,571)	(98,206)	245,270	79	245,349
Adjustment on initial application of SFRS(I) 16 (net of tax)	-	-	-	-	-	(28)	(28)	-	(28)
Adjusted balance at 1 January 2019	418,913	(65,742)	3,630	(7,754)	(5,571)	(98,234)	245,242	79	245,321
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	3,357	3,357	(119)	3,238
Other comprehensive income									
Foreign currency translation differences relating to foreign operations	-	-	-	4,115	-	-	4,115	-	4,115
Share of foreign currency translation differences of equity-accounted investee	-	-	-	(14)	-	-	(14)	-	(14)
Share of fair value reserve of equity-accounted investee	-	-	-	-	98	-	98	-	98
Total other comprehensive income, net of tax	-	-	-	4,101	98	-	4,199	-	4,199
Total comprehensive income for the year	-	-	-	4,101	98	3,357	7,556	(119)	7,437
Transactions with owners, recognised directly in equity									
Contribution from non-controlling interests	-	-	-	-	-	-	-	464	464
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	(120)	(120)
Total transactions with owners	-	-	-	-	-	-	-	344	344
At 31 December 2019	418,913	(65,742)	3,630	(3,653)	(5,473)	(94,877)	252,798	304	253,102

1(d)(i) Statement of Changes in Equity (Continued)

COMPANY	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2020	418,913	(192,155)	226,758
Total comprehensive income for the year			
Loss for the year	-	(123,706)	(123,706)
Total comprehensive income for the year	-	(123,706)	(123,706)
At 31 December 2020	418,913	(315,861)	103,052
At 31 December 2018	418,913	(188,424)	230,489
Adjustment on initial application of SFRS(I) 16 (net of tax)	-	(27)	(27)
Adjusted balance at 1 January 2019	418,913	(188,451)	230,462
Total comprehensive income for the year			
Loss for the year	-	(3,704)	(3,704)
Total comprehensive income for the year	-	(3,704)	(3,704)
At 31 December 2019	418,913	(192,155)	226,758

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.

<u>Ordinary shares issued and fully paid-up</u>	Number of shares	Paid-up share capital S\$
Balance as at 31 December 2020 and 30 June 2020	4,443,129,206	418,912,580

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 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 December 2020 and 31 December 2019, the Company had 4,443,129,206 issued and fully paid-up ordinary shares.

The Company did not have treasury shares as at the end of the respective period.

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.

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.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(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 paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial year ended 31 December 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.

During the current financial year, the Group has adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

The adoption of the above amendments to SFRS(I)s is assessed to have no significant impact on the financial statements of the Group.

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:**

	Group			
	2nd Half ended 31.12.2020	2nd Half ended 31.12.2019	12 Months ended 31.12.2020	12 Months ended 31.12.2019
Net (loss)/profit attributable to owners of the Company (S\$'000)	(97,465)	3,023	(98,726)	3,357
Weighted average number of ordinary shares in issue	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206
Basic earnings per share (Singapore cents)	(2.194)	0.068	(2.222)	0.076

Basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2020 and 31 December 2019 respectively.

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.

	Group		Company	
	As at 31.12.2020	As at 31.12.2019	As at 31.12.2020	As at 31.12.2019
Net asset value attributable to owners of the Company (S\$'000)	141,237	252,798	103,052	226,758
Number of ordinary shares in issue	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206
Net asset value per ordinary share (Singapore cents)	3.18	5.69	2.32	5.10

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.

Review of financial performance of Continuing Operations for the financial year ended 31 December 2020 ("FY2020")

(a) Revenue

The Group's revenue comprised mainly rental income from the 12 nursing homes in Japan as well as revenue from the pharmaceutical distribution business and from Wuxi Lippo Xi Nan hospital in China. Revenue was relatively stable compared with the previous financial year due to the stable nature of the income from Japan.

(b) Cost of sales

Cost of sales decreased by 6% lower, mainly due to lower sales from the pharmaceutical distribution business.

(c) Gross profit

Gross profit increased by 5%, mainly due to the decrease in cost of sales and the effect of a stronger Japanese Yen on the rental income from Japan.

(d) Administrative expenses

Administrative expenses decreased by 13%, mainly due to stringent cost management during the Coronavirus Disease 2019 “COVID-19” pandemic as well as significantly lower travelling expenses for the year.

(e) Other expenses/income

In FY2020, the Group, in its review of the carrying values of its investments and assets, had to make impairment charges over certain of its assets in view of the challenging global economic environment.

The other expenses for FY2020 related mainly to:

- i) Impairment losses relating to:
 - a. property, plant and equipment of S\$32.1 million
 - b. investment in associate and joint ventures of S\$4.1 million; and
 - c. goodwill of S\$1.8 million
- ii) Fair value losses relating to:
 - a. investment property under development of S\$18.5 million; and
 - b. investment properties of S\$1.7 million

In FY2019, the other income related mainly to the reversal of provision for legal cost.

(f) Depreciation and amortisation

Depreciation and amortisation decreased by 26%. The Group’s intangible assets related to certain medical distribution licenses held by the Group and were fully amortised in FY2019. In addition, certain property, plant and equipment were also fully depreciated during the year resulting in the decrease in depreciation and amortisation.

(g) Finance income

Finance income consisted of foreign exchange gains, interests from bank deposits and advance to a joint venture partner. The advance to a joint venture partner was made in the third quarter of FY2019.

(h) Finance costs

Finance costs for the Group increased by 5%, mainly due to an increase in the Japan TMK bonds issued as part of the refinancing that was completed in May 2020 as well as a full year’s interest incurred in relation to a bank loan that was drawn down in December 2019.

(i) Share of results of equity-accounted investees, net of tax

The Group’s share of results of equity-accounted investees relates to the Group’s investments in First Real Estate Investment Trust (“**First REIT**”), First REIT Management Limited (“**FRM**”), China Merchants Lippo Hospital Management (Shenzhen) Limited (“**CMLHM**”), and Yoma Siloam Hospital Pun Hlaing Limited (“**YSHPH**”) and Pun Hlaing International Hospital Limited (“**PHIH**”).

FRM, formerly known as Bowsprit Capital Corporation Limited, is the manager of First REIT (“**Manager**”). CMLHM is the 50/50 joint venture with the China Merchants Group.

YSHPH and PHIH, collectively the “**Myanmar JV**”, refers to the 40/60 joint venture with First Myanmar Investment Public Company Limited (“**FMI**”). The Group holds a 40% stake in the Myanmar JV that currently operates 3 hospitals and 4 clinics in Myanmar.

The Group recorded a share of loss for FY2020 of S\$35.0 million, mainly due to its share of loss from First REIT. The Group’s share of First REIT’s loss was S\$36.8 million as First REIT’s results were

impacted by net fair value losses amounting to S\$401.4 million as a result of its lease restructuring as well as from the 4 months of rental relief provided to certain lessees during FY2020. The net fair value losses were due to a decrease in the fair values of First REIT properties.

The Group also recorded a share of loss of S\$1.7 million from the Myanmar JV. The JV's operations were impacted by Covid-19 but remained in operation throughout FY2020. The Group's share of profit amounted to S\$3.5 million for its 40% stake in FRM.

(j) Tax expense

The tax expense related mainly to the provision for deferred tax liabilities relating to the Group's operations in Japan. The Group recorded a tax credit of S\$2.9 million, compared with a tax expense of S\$2.5 million in FY2019, mainly as a result of the writeback of deferred tax provision arising from the impairment of assets.

(k) Loss after tax from Continuing Operations

The Group recorded a loss after tax from its Continuing Operations of S\$99.2 million for FY2020 compared with a profit of S\$3.2 million in FY2019.

Review of Statement of Financial Position

(a) Non-current assets

The decrease in non-current assets was due mainly to:

- i) the impairments of property, plant and equipment, goodwill, and investment in joint venture and associates;
- ii) the decrease in fair value of investment properties under development and investment properties; and
- iii) the net share of losses for the Group's investments in joint venture and associates.

(b) Current assets

The decrease in trade and other receivables was due mainly to:

- i) cash receipts of S\$28.9 million in relation to the Crest litigations;
- ii) cash receipts of S\$3.4 million as refund of deposits placed in relation to the enforcement of the Singapore arbitration award against David Lin; and
- iii) lower trade receivables in relation to the pharmaceutical distribution business.

The decrease was partly offset by higher cash and cash equivalents.

(c) Non-current liabilities

The increase in non-current liabilities was due mainly to the reclassification of the Japan TMK bonds that were due in FY2020 as non-current liabilities following the successful refinancing of the TMK bonds in May 2020.

(d) Current liabilities

The decrease in current liabilities was due mainly to:

- i) the reclassification of the current portion of the Japan TMK bonds to non-current following the refinancing in May 2020; and
- ii) utilisation of provision relating to legal and related expenses during the year.

The decrease in current liabilities was partly offset by higher trade and other payables, mainly due to accrued interests on loans and borrowings.

Review of Cashflows and Working Capital

a) Cash flows from operating activities

Operating activities utilised net cash of S\$2.7 million before working capital changes. After taking into account the movement in working capital, operating activities utilised net cash of S\$1.1 million.

b) Cash flows from investing activities

Investing activities generated net cash of S\$6.7 million, mainly due to net cash received from the Crest litigation proceedings amounting to S\$28.9 million and distributions of S\$5.4 million received from First REIT during the year.

Cash outflows relates mainly to:

- i) acquisition of equity-accounted investee of S\$25.4 million for the Group's 50/50 JV with China Merchants Group for the Prince Bay Project;
- ii) additions to the Group's investment properties in Japan amounted S\$1.0 million, mainly for repairs and maintenance works;
- iii) Purchase of property, plant and equipment of S\$1.4 million.

c) Cash flows from financing activities

Financing activities provided net cash of S\$7.8 million.

The refinancing of the Japan TMK bonds provided a net increase in borrowings of S\$13.0 million. The net proceeds from borrowings amounted to S\$11.1 million.

Interest paid and payment of lease liability amounted to S\$3.3 million.

- d) As at 31 December 2020, the Group's net current liabilities amounted to S\$207.6 million. The negative working capital was due mainly to:

- (i) Shareholder's loans and accrued interest totaling S\$192.9 million that was accounted for as current liabilities; and
- (ii) a loan of S\$16.6 million due in December 2021 which is in the process of being re-financed.

The Board confirms that the Group is able to meet its debt obligations as and when they fall due in view of the on-going support from its controlling shareholder, the refinancing of the aforementioned S\$16.6 million loan due in December 2021 as well as the continuing efforts by management to improve the financial position of the Group.

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

The financial results are in line with the forecast statement disclosed in the Company's profit guidance for the full year ended 31 December 2020, dated 15 January 2021.

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.

In 2020, global GDP took a significant hit and dipped 4.2%¹ as countries contended with the wide-ranging effects of the COVID-19 outbreak. The Group remains firmly anchored in its three-pronged growth strategy and will continue to strengthen its financial position to respond to challenges and opportunities emerging from the pandemic.

On 23 February 2021, the Company announced its recapitalisation plan to convert the Existing Shareholder Loans from wholly-owned subsidiaries of OUE Limited into a 4.0% convertible perpetual bonds (“**Perpetual Securities**”). The Perpetual Securities will be convertible into ordinary shares of the Company after 5.5 years from date of issuance of the Perpetual Securities, in accordance to the terms of conditions of the Perpetual Securities.

China

Amongst the major economies of the world, the Chinese economy is the first to stage a dramatic recovery from the COVID-19 pandemic and emerged from a strict lock-down of the country to register a 2.3%² GDP growth in 2020. The COVID-19 pandemic has exposed the shortfalls of the healthcare system in many countries. We believe the lessons learned will accelerate the pace of healthcare reforms in China which will present more niche opportunities to private operators.

We further strengthened our presence in China and deepened our partnership with the China Merchants Group (the “Joint Venture”) with the signing of a long-term lease by the Joint Venture in December 2020 to operate an Obstetrics & Gynaecology Specialist Hospital in Changshu in Jiangsu Province.

The Company will continue to ride on the momentum of the fast-growing China healthcare market. We will focus to grow in the regions where we already operate in to leverage on cluster synergies and in partnership with China Merchants Group to leverage on their vast local resources.

Myanmar

With the recent military coup and subsequent state of emergency declared by Myanmar’s military junta in February 2021, the overall outlook for Myanmar is likely to be challenging and the COVID-19 pandemic continues to take its toll on the fragile economy.

Our hospitals are still in operation despite the challenging environment. We will continue to closely monitor the developments in Myanmar and their impact on our business operations, and have developed contingency plans to respond to the dynamic situation.

Indonesia

The Indonesian economy is expected to recover in 2021 after falling into recession in 2020 due to the COVID-19 pandemic. As the country rolls out its vaccination programme, the World Bank predicts the Indonesian economy will grow by 4.4% in 2021³, citing favourable fiscal and monetary support implemented by the government.

First Real Estate Investment Trust (“**First REIT**”) recently embarked on a series of initiatives to restructure the master leases of 14 of its hospital assets in Indonesia, launched a rights issue to recapitalise its balance sheet, and to refinance its loan obligations due in March 2021. Together with these initiatives, First REIT has also announced its intentions to reposition its business portfolio to diversify its risks and grow in other markets. As announced on 10 February 2021, the Group has subscribed in full its total allotments of the rights units (being 81,921,809 rights units), as well as 81,334,795 of excess rights units. The Group has been allotted its excess rights subscription in full, which would result in the Company strengthening its position as Sponsor, with its direct holding in First REIT increasing from 10.36% as at 31 December 2020 to 15.44%.

Japan

Amidst battling the third wave of the virus outbreak, cities in Japan have been forced into another state of emergency in January 2021. Nevertheless, with the country’s increasingly ageing population, we are confident that demand for quality nursing home care will continue to grow to serve as support facilities within the country’s overall healthcare ecosystem. Currently, the Company’s twelve nursing homes in Japan continue to register stable performance, with their average occupancy rate staying above 90%.

¹ A brighter outlook but recovery will be gradual. Retrieved from: <https://www.oecd.org/economic-outlook/>

² China says its economy grew 2.3% in 2020, but consumer spending fell. Retrieved from: <https://www.cnn.com/2021/01/18/china-economy-release-of-fourth-quarter-full-year-2020-gdp.html>

³ Indonesia Economic Prospects, December 2020: Towards a Secure and Fast Recovery . Retrieved from: <https://www.worldbank.org/en/country/indonesia/publication/december-2020-indonesia-economic-prospects>

11. If a decision regarding dividend has been made:

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

None.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared or recommended after taking into consideration of the Group's cash flow requirements.

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

The Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

In FY2020, the composition of the Group's segments was organised into the following segments.

- (i) Healthcare operations – This includes the operation of hospitals, the distribution of pharmaceutical products and medical equipment. The Group currently has operations in the PRC and Myanmar.
- (ii) Healthcare assets – Rental of investment properties and assets owned by the Group. The Group currently has assets in Japan and the PRC.
- (iii) Properties under development – Development of medical facilities, healthcare-related assets and integrated mixed-use projects. The Group currently has development properties in the PRC and Malaysia.
- (iv) Investments – investments in an associate (First REIT) and joint venture (FRM).
- (v) Others – Mainly head office and corporate functions, including investment holding related activities.

In FY2019, the composition of the Group's segments was organised into the following segments.

- (i) Healthcare operations – This includes the operation of hospitals, the distribution of pharmaceutical products and medical equipment. The Group currently has operations in the PRC and Myanmar.
- (ii) Healthcare assets – Rental of investment properties and assets owned by the Group. The Group currently has assets in Japan and PRC.
- (iii) Properties under development – Development of medical facilities, healthcare-related assets and integrated mixed-use projects. The Group currently has development properties in the PRC and Malaysia.
- (iv) Investments – investments in an associate (First REIT) and a joint venture (Bowsprit).
- (v) Others – Mainly head office and corporate functions, including investment holding related activities.

(a) Business segments

	Healthcare operations S\$'000	Healthcare assets S\$'000	Properties under development S\$'000	Investments S\$'000	Others S\$'000	Total S\$'000
Group						
31 December 2020						
Revenue						
External revenue	2,454	17,526	-	-	-	19,980
Inter-segment revenue	-	-	-	-	1,558	1,558
Segment revenue (including inter-segment revenue)	<u>2,454</u>	<u>17,526</u>	<u>-</u>	<u>-</u>	<u>1,558</u>	<u>21,538</u>
Segment (loss)/profit before tax	<u>(4,505)</u>	<u>8,874</u>	<u>(50,773)</u>	<u>(33,287)</u>	<u>(22,374)</u>	<u>(102,065)</u>
Depreciation	(81)	(404)	(4)	-	(457)	(946)
Finance expenses	(30)	(1,871)	(973)	-	(7,312)	(10,186)
Interest income	1	1	2	-	292	296
Share of results of equity-accounted investees, net of tax	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>(33,287)</u>	<u>-</u>	<u>(35,037)</u>
Other material non-cash items						
Fair value losses on investment properties	-	(1,675)	-	-	-	(1,675)
Fair value losses on investment properties under development	-	-	(18,486)	-	-	(18,486)
Impairment losses on goodwill	(1,804)	-	-	-	-	(1,804)
Impairment losses on joint venture investment	(4,135)	-	-	-	-	(4,135)
Impairment losses on property, plant and equipment	-	(175)	(31,959)	-	-	(32,134)
Trade and other receivables written off	-	(391)	-	-	(219)	(610)
Reportable segment assets	29,049	356,757	63,840	85,392	81,857	616,895
Additions to:						
- Property, plant and equipment	95	4	6,773	-	33	6,905
- Investment properties	-	971	-	-	-	971
- Investment in equity-accounted investees	24,889	-	-	-	-	24,889
- Capital contribution in equity-accounted investees	498	-	-	-	-	498
Reportable segment liabilities	25,852	149,609	24,338	-	236,653	436,452
Current tax liabilities						27
Deferred tax liabilities						<u>39,179</u>
						<u>475,658</u>

	Healthcare operations S\$'000	Healthcare assets S\$'000	Properties under development S\$'000	Investments S\$'000	Others S\$'000	Total S\$'000
Group						
31 December 2019						
Revenue						
External revenue	2,666	16,983	-	-	-	19,649
Inter-segment revenue	-	-	-	-	1,495	1,495
Segment revenue (including inter-segment revenue)	2,666	16,983	-	-	1,495	21,144
Segment (loss)/profit before tax	(2,941)	9,673	(2,224)	9,423	(8,177)	5,754
Depreciation	(51)	(773)	(4)	-	(449)	(1,277)
Amortisation	(226)	-	-	-	-	(226)
Finance expenses	(22)	(1,713)	(1,308)	-	(6,706)	(9,749)
Interest income	1	-	2	-	229	232
Share of results of equity-accounted investees, net of tax	(2,125)	-	-	9,424	-	7,299
Other material non-cash items						
Fair value gains on investment properties	-	706	-	-	-	706
Fair value losses on investment properties under development	-	-	(1,185)	-	-	(1,185)
Reportable segment assets	4,084	339,505	107,551	146,449	111,927	709,516
Additions to:						
- Property, plant and equipment	122	-	1,623	-	75	1,820
- Investment properties	-	1,644	-	-	-	1,644
- Investment in equity-accounted investees	27,985	-	-	-	-	27,985
Reportable segment liabilities	2,030	131,187	22,940	-	259,427	415,584
Current tax liabilities						38
Deferred tax liabilities						40,792
						<u>456,414</u>

(b) Geographical segments

The Group operates in five main geographical areas.

Singapore – Investments in an associate and a joint venture. The Company is headquartered in Singapore.

Japan – The ownership, leasing and management of the nursing home facilities.

PRC – The operating of hospitals, the supply and distribution of pharmaceutical products and medical equipment, development of medical facilities, healthcare-related assets and integrated mixed-use projects, investment holding and investment in a joint venture.

Malaysia – The development of medical facilities, healthcare-related assets and integrated mixed-use projects.

Myanmar – Investments in a joint venture.

Group	Revenue	
	FY2020	FY2019
	S\$'000	S\$'000
PRC	2,454	2,666
Japan	17,526	16,983
	19,980	19,649

Group	Non-current assets*	
	FY2020	FY2019
	S\$'000	S\$'000
PRC	73,299	73,041
Japan	308,872	299,892
Malaysia	41,920	58,932
Singapore	86,193	146,836
Myanmar	23,175	26,966
	533,459	605,667

* Non-current assets relate to the carrying amounts of investment properties, investment properties under development, property, plant and equipment, intangible assets and goodwill, and associate and joint ventures.

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

Healthcare Operations

The decrease in revenue was due mainly to the negative impact of Covid-19 on the China pharmaceutical distribution business and the operation of Wuxi Lippo Xi Nan (“**WLXN**”) hospital. The Group acquired a 70% stake in WLXN hospital in November 2019.

The increase in loss before tax was due mainly to losses from WLXN hospital, which was partly offset by lower share of loss from equity-accounted investees.

Healthcare Assets

Healthcare assets refer to the Group’s investment properties, i.e. the 12 nursing homes in Japan.

Revenue from rental income received was higher due to a foreign exchange gains arising from a stronger Japanese Yen.

Profit before tax was lower mainly as a result of a fair value loss of S\$1.7 million on the investment properties.

Properties under development

The loss before tax was due mainly to fair value loss on investment property under development of S\$18.5 million and impairment losses relating to property, plant and equipment of S\$32.0 million.

Investments

The loss before tax related to the Group’s share of First REIT and FRM results.

Others

The revenue recorded related to inter-company management fees charged.

The loss before tax was after corporate costs, including interest costs on the loans from shareholders.

16. **A breakdown of sales as follows:-**

	FY2020	Group	Inc/(Dec)
	S\$'000	FY2019	%
		S\$'000	
(a) Revenue reported for first half year	9,896	9,531	4
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(1,541)	334	<i>n.m.</i>
(c) Revenue reported for second half year	10,084	10,118	<i>n.m.</i>
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(97,651)	2,904	<i>n.m.</i>

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

No dividend had been declared or recommended for the financial year ended 31 December 2020 and 31 December 2019.

18. Confirmation Pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

19. Report of person occupying managerial positions who are related to a director, chief executive

Pursuant to Rule 704(10) of Catalist Rules, the Company confirms that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

20. Additional Information Required Pursuant to Rule 706A

Entry into share subscription agreement and shareholders' agreement – Proposed Hospital Project in Prince Bay, Shenzhen, China

The Company's indirect wholly owned subsidiary, LCM (Prince Bay Development) Pte. Ltd. has entered into a shareholders' agreement and completed the subscription for a 50% stake in Riviera Quad International Limited in relation to the Prince Bay Project on 20 January 2020. The remaining stake is held by Golden Pinnacle Enterprise Limited, which is an indirect wholly-owned subsidiary of China Merchants Shekou Industrial Zone Holdings Co. Ltd.

The 50/50 JV with the China Merchants Group will jointly develop, operate and manage a high-end international hospital in Prince Bay, Shenzhen, in the People's Republic of China.

For additional information, please refer to the Group's announcements on 12 December 2018, 31 May 2019, 2 December 2019 and 20 January 2020.

21. Others

The Group's presence in Indonesia is through its investments in First REIT and the Manager. First REIT is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") and is an associate of the Company. The Manager is an associated company of the Company.

The Manager releases public announcements in relation to and on behalf of First REIT ("**FR Announcements**") via SGXNET, from time to time in compliance with the Listing Manual of the SGX-ST. **The Company wishes to advise shareholders and potential investors of the Company to check the SGX-ST's website, www.sgx.com, for the latest FR Announcements made by the Manager from time to time, when dealing in the shares of the Company.**

The Company will no longer release announcements notifying its own shareholders of the release of certain FR Announcements, unless the Company has determined that there is, or becomes aware of, any material impact on the Group (which has not already been disclosed in the FR Announcements) and/or if the Company has determined that there is, or becomes made aware of, any undisclosed material information concerning the Group (including First REIT and the Manager) in accordance with the requirements under the applicable Catalist Rules.

BY ORDER OF THE BOARD OF DIRECTORS

**Mr Yet Kum Meng
Executive Director and Chief Executive Officer
23 February 2021**

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.