RMH Holdings Limited
德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8437

Annual Report 2017

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Loh Teck Hiong
Dr. Ee Hock Leong
Dr. Kwah Yung Chien, Raymond

Independent Non-Executive Directors

Mr. Cheung Kiu Cho Vincent
Mr. Ong Kian Guan

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

Mr. Ong Kian Guan
Dr. Kwah Yung Chien Raymond

Nomination committee

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

COMPLIANCE OFFICER

Dr. Loh Teck Hiong

COMPANY SECRETARY

Mr. Man Yun Wah

AUTHORISED REPRESENTATIVES

Dr. Loh Teck Hiong
Dr. Ee Hock Leong

AUDITOR

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

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited
11/F, The Center
99 Queen's Road Central
Hong Kong

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

#15-09 Paragon (Office Tower)
290 Orchard Road
Singapore 238859

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

Room 5705, 57th Floor, The Center
99 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISER

D.S. Cheung & Co.
29/F., Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

COMPLIANCE ADVISER

Red Solar Capital Limited
11/F., Kwong Fat Hong Building
No. 1 Rumsey Street
Sheung Wan, Hong Kong

COMPANY WEBSITE

www.dermclinic.com.sg

GEM STOCK CODE

8437

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of Directors, it is my pleasure to present to you the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017.

REVIEW

For the year ended 31 December 2017, revenue of the Group increased to approximately S$7,054,000 as compared to approximately S$6,160,000 for the year ended 31 December 2016, representing an increase of approximately 14.5%. The revenue grew steadily across all services provided by the Group, namely the consultation services (the "Consultation Services"), the prescription and dispensing services (the "Prescription and Dispensing Services"), the treatment services (the "Treatment Services") and other services.

The Company was successfully listed on the GEM of the Stock Exchange (the "Listing") on 13 October 2017 (the "Listing Date") by way of share offer (the "Share Offer") which offers the Group great opportunity to embark on next stage of growth. The Group is more competitive and boasts promising development potential in the private dermatology practice.

The Group recorded a loss of approximately S$470,000 for the year ended 31 December 2017, representing a decrease of approximately S$3,151,000 as compared to a profit of approximately S$2,681,000 for the year ended 31 December 2016. Excluding the one-off Listing expenses incurred in the year ended 31 December 2017 of approximately S$2,933,000, the Group would have recorded a profit for the year ended 31 December 2017 of approximately S$2,463,000, representing a decrease of approximately S$218,000 or 8.1% as compared to the corresponding period of 2016. This was due to costs incurred for post-Listing fees, including compliance advisory charges, audit fees, retainer fees for legal adviser and printer charges as well as other professional fees incurred by the Group for the year ended 31 December 2017.

OUTLOOK

Looking forward, the Group expects the business environment to continue to be challenging and competitive. We will constantly review our business strategy to seek opportunities to extend our reach and expand our customer base. We will also continue to manage the Group's expenditure, particularly staff costs through upgrading and equipping our employees with multiple skill sets and through leveraging on technology to reduce labour intensity.

We believe that we have built up our reputation in the field of dermatology in Singapore. Combining our Doctors' sub-specialities in dermatology, we are able to tap into each others' customer network, and put ourselves in a better position to offer comprehensive professional services and an all round treatment solution to our patients resulting in customer satisfaction and growth.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers and business partners for their continuous support to the Group. My heartfelt appreciation also goes to our management and professional colleagues for their dedication and valuable contribution to the Group in the past year.

Dr. Loh Teck Hiong
Chairman and Executive Director

Hong Kong, 22 March 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a leading specialist dermatological and surgical practice accredited by the Ministry of Health of Singapore in Singapore, providing accessible, comprehensive, quality and specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising a wide range of advanced and sophisticated medical, surgical, laser and aesthetic treatments. The Group's private dermatology practice comprises primarily doctors, and trained personnel with specialised skill sets equipped to handle complex dermatological conditions. The Group provides an all-round treatment solution that is tailored to our patients' individual needs for the treatment of, among others, skin cancer, skin diseases such as eczema, psoriasis, acne, pigmentation, adverse drug reactions and warts. The Group also performs aesthetic treatments to enhance the overall appearance of patients.

The revenue of the Group grew by approximately S$894,000, or 14.5%, to approximately S$7,054,000, when compared to the year ended 31 December 2016. The revenue of Consultation Services, Prescription and Dispensing Services, Treatment Services and other services amounted to approximately S$1,794,000, S$1,956,000, S$2,821,000 and S$483,000 which accounted for approximately 25.4%, 27.7%, 40.0% and 6.9% of the total revenue of the Group for the year ended 31 December 2017 respectively, which is in line with the distribution as compared to the year ended 31 December 2016. The number of patients of the Group grew from 8,293 to 9,833 during the year ended 31 December 2017. Number of patient visits grew by 8.5% to 21,368 for the year ended 31 December 2017 from 19,694 for the year ended 31 December 2016.

Looking forward, with strong potential in the specialist dermatology and surgical services industry in Singapore, the Group will continue to seek to enlarge our market share in the dermatological and surgical service industry in Singapore and to build our reputation, grow the "Dermatology & Surgery Clinic" brand and business. We will continue to consolidate our position in the market and achieve a continued growth in our business.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's overall revenue amounted to approximately S$7,054,000 for the year ended 31 December 2017, representing an increase of approximately S$894,000 or 14.5% as compared with the revenue of S$6,160,000 for the year ended 31 December 2016.

The Group provides an all-round treatment solution that is tailored to the patients' individual needs in the field of dermatology. These are achieved through the provision of personalised services, including Consultation Services, Prescription and Dispensing Services and Treatment Services. The increase in revenue for the year ended 31 December 2017 was mainly attributable to the resident doctor who joined the Group and started to render services in March 2017. The following table sets forth a breakdown of our revenue for the periods indicated:

	2017		2016	
	S$'000	**%**	S$'000	%
Revenue				
Consultation Services	**1,794**	**25.4**	1,557	25.3
Prescription and Dispensing Services	**1,956**	**27.7**	1,690	27.4
Treatment Services	**2,821**	**40.0**	2,492	40.5
Other services	**483**	**6.9**	421	6.8
	7,054	**100.0**	6,160	100.0

Revenue generated from Consultation Services increased by S$237,000 from S$1,557,000 to S$1,794,000 for the year ended 31 December in 2016 and 2017 respectively. With an increase in the number of patient visits for Consultations Services from 15,350 to 17,760 for the year ended 31 December in 2016 and 2017 respectively, the Group recorded a 15.7% growth in the total number of patient visits for the year ended 31 December 2017.

Revenue generated from Prescription and Dispensing Services also increased by S$266,000 from S$1,690,000 to S$1,956,000 for the year ended 31 December in 2016 and 2017 respectively. The increase is in line with the increase in patient visits from Consultation Services in the same period.

Revenue generated from Treatment Services increased by S$329,000 from S$2,492,000 to S$2,821,000 for the year ended 31 December in 2016 and 2017 respectively. Revenue generated from Treatment Services are predominantly generated from excision, cryosurgery and laser treatments.

Other operating income

Other operating income for the year ended 31 December in 2016 and 2017 represented primarily government grants and other income which comprised cash pay-out from Inland Revenue Authority of Singapore ("IRAS") in relation to qualifying expenditure incurred during the financial year and other miscellaneous income which had expired by the end of year 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Consumables and medical supplies used

Our consumables and medical supplies used amounted to S$940,000 and S$1,022,000 for the year ended 31 December in 2016 and 2017 respectively. The increase is in line with the increase in revenue. These comprised costs of treatment consumables, skincare products and medications necessary for the provision of our services at our clinics.

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

Other direct costs

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

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

Employee benefits expense

	2017 **S$'000**	2016 S$'000
Directors' remuneration	**641**	576
Other staff costs:		
— Staff salaries and other benefits	**607**	373
— Contributions to retirement benefits scheme	**102**	63
Employee benefits expense	**1,350**	1,012

Employee benefits expense relate to directors' remuneration, salaries for other professional staff such as trained therapists, clinic executives and other administrative staff working at the Clinics, CPF contributions and bonuses. The increase is largely due to the increase in headcounts in 2017, in particular, the Group recruited one additional resident doctor in March 2017 and the chief finance officer in October 2016.

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

	2017	2016
Total staff count	**18**	14

Depreciation of plant and equipment

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

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

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

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

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

Other operating expenses

The Group's other operating expenses comprised rental and property upkeep, administrative fees, professional fees and other expenses.

The other operating expenses for the year ended 31 December 2017 increased by approximately S$543,000 or 54.1% from approximately S$1,003,000 for the year ended 31 December 2016 to approximately S$1,546,000 for the year ended 31 December 2017.

	2017	2016
	S$'000	S$'000
Rental and property upkeep	**395**	367
Administrative fees	**321**	240
Professional fees	**434**	217
Other expenses	**396**	179
Other operating expenses	**1,546**	1,003

The increase in administrative fees for the year ended 31 December 2017 of S$81,000, is in line with the increase in revenue.

The increase in professional fees for approximately S$217,000 was related to the post-Listing fees incurred for audit, legal adviser, compliance adviser, financial printer and other professional fees.

The other expenses comprised primarily card charges, clinic supplies, repairs and maintenance, insurance, travelling and other miscellaneous expenses. The increase is mainly attributable to the increase of card charges and was in line with the increase in revenue and increase in travelling expenses.

Finance costs

Finance costs increased by approximately S$8,000 from approximately S$8,000 for the year ended 31 December 2016 to approximately S$16,000 for the year ended 31 December 2017, mainly as a result of the increase in interests paid under finance leases. The Group did not have any bank borrowings, new finance lease liabilities, or new interest-bearing liabilities for the year ended 31 December 2017. The Group settled the remaining obligations under finance leases for the medical equipment in September 2017.

Income tax expense

Income tax expense was approximately S$380,000 for the year ended 31 December 2017 and S$363,000 for the year ended 31 December 2016. During the year ended 31 December 2017, the Group incurred one-off Listing expenses which are not deductible for taxation purpose.

Loss for the year

Due to the combined effect of the aforesaid factors, we recorded loss of approximately S$470,000 for the year ended 31 December 2017, representing a decrease of approximately S$3,151,000 as compared to the profit of approximately S$2,681,000 for the year ended 31 December 2016, largely due to the non-recurring Listing expenses of approximately S$2,933,000. Excluding which, profit for the year will be S$2,463,000 which decreased compared with the year ended 31 December 2016, largely due to post-Listing expenses.

DIVIDENDS

During the year ended 31 December 2016, total dividends of approximately $3,009,000 were declared and distributed by the three clinics now comprising the Group to their then shareholders.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group only comprises ordinary shares.

As at 31 December 2017, the total equity of the Group was approximately S$12,755,000 (2016: approximately S$436,000). The Group generally financed its operation with internally generated cash flows. The Group had bank balances and cash of approximately S$12,553,000 as at 31 December 2017 (2016: approximately S$478,000. As at 31 December 2017, the Group had net current assets of approximately S$12,496,000 (2016: approximately S$189,000).

As at 31 December 2017, the gearing ratio of the Group was 0% (2016: approximately 64.4%), calculated based on total debt divided by total equity as at the end of the year. As at 31 December 2017, the Group had no outstanding debt (as at 31 December 2016, the Group had obligations under finance leases of approximately S$281,000 which was fully repaid in September 2017). The decrease in gearing ratio is mainly due to the net proceeds from the Share Offer and the repayment of obligations under finance leases during the year ended 31 December 2017.

Net cash used in operating activities for the year ended 31 December 2017 was approximately S$390,000 (2016: net cash generated from operations approximately S$2,838,000). With the healthy bank balances and cash on hand, the Group's liquidity position remained strong and it had sufficient financial resources to fund its future plans and to meet its working capital requirement.

For the year ended 31 December 2017, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$12.8 million. The share capital of the Group only comprises ordinary shares. The Shares were listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2017, the Group did not have any significant investment, material acquisitions nor disposal of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed "History, Reorganisation and Development — Reorganisation" in the Prospectus.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Singapore and transacts mainly in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retained certain amount of the proceeds from the Share Offer in Hong Kong dollars which contributed to an unrealised foreign exchange loss of approximately S$41,000 as Hong Kong dollars weakened against Singapore dollars.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of our office premise and clinics. As at 31 December 2017, our Group's operating lease commitments amounted to approximately S$951,000 (2016: approximately S$1,200,000).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, our Group had a total of 18 employees (including part time staffs), excluding our doctors (2016: 14). Staff costs, including Directors' remuneration, of our Group were approximately S$1,350,000 for the year ended 31 December 2017 (2016: approximately S$1,012,000). Remuneration is determined with reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees are provided with relevant inhouse and/or external training from time to time. In addition to a basic salary, year-end discretionary bonuses are offered to employees who performed outstandingly to attract and retain eligible employees to contribute to our Group.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2017 and 2016, there are no charges on the Group's assets.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

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

BUSINESS RISK

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

INDUSTRY RISK

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

REPUTATION RISK

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

REGULATORY RISK

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the year ended 31 December 2017 and up to the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the period from the Listing date to 31 December 2017 and up to the date of this report.

KEY STAKEHOLDER RISK

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

USE OF PROCEEDS

The net proceeds from the Share Offer were approximately HK$44.7 million, which was based on the offer price of HK$0.48 per Share and the actual expenses related to the Listing. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The net proceeds from the Share Offer as at 31 December 2017 were used as follows:

	Planned use of proceeds as shown in the Prospectus (adjusted on a prorata basis based on the actual net proceeds) HK$ million	Planned use of proceeds as shown in the Prospectus from the date of the Listing to 31 December 2017 (adjusted on a prorata basis based on the actual net proceeds) HK$ million	Actual use of proceeds from the date of the Listing to 31 December 2017 HK$ million	Unutilised amount as at 31 December 2017 *(Note a)* HK$ million	*Notes*
Strategically expand and strengthen our network of clinics in Singapore	14.1	6.8	–	14.1	*b*
Enhance the quality and variety of our Services at our existing Clinics and establish new medical aesthetic clinics	13.6	1.4	–	13.6	*c*
Purchase additional new devices and broaden the variety of treatments and products offered	9.6	3.3	–	9.6	*c*
Establish a logistics centre for centralised operations	2.3	–	–	2.3	
Improve our information technology infrastructure and systems	2.4	0.6	0.1	2.3	*d*
General working capital	2.7	0.5	0.5	2.2	
	44.7	12.6	0.6	44.1	

Notes:

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

(b) The Listing proceeds of approximately HK$6.8 million have not been utilised as at 31 December 2017, as we delayed our plan to open a new "family and skin" clinic in Jurong from this year to mid 2018 due to the availability of leasing space in a large scale shopping complex located in one of the most popular area in the western part of Singapore. We have delayed the opening of a new "family and skin" clinic in Holland Village as we have only recently entered in to a tenancy agreement on 27 February 2018.

(c) We delayed our plan on Orchard clinic expansion plan and establishment of logistic centre as we were not able to secure the lease of the space nearby and will continue to look for suitable location.

(d) We delayed our spending on information technology infrastructure and systems as we are still in the process of identifying the system that would best fit for our clinic uses.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

CORPORATE INFORMATION

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 25 to the financial statements. The Group primarily focuses on provision of specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising medical, surgical, laser and aesthetic treatments. There were no significant changes in the nature of the Group's principal activities during the year.

Details of the business review for the year ended 31 December 2017, including a fair review of the Group's business, principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business are set out in the Chairman's statement and Management Discussion and Analysis on pages 3 to 11.

RESULTS AND DIVIDENDS

The financial performance of the Group for the year ended 31 December 2107 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 39 to 40.

The Director do not recommend the payment of any dividend for the year ended 31 December 2017.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

A separate environmental, social and governance report is expected to be published on the websites of the Stock Exchange and the Company no later than three months after the publication of this report.

COMPLIANCE WITH THE LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the year ended 31 December 2017 and up to the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group for the year ended 31 December 2017 and up to the date of this report.

RELATIONSHIP WITH EMPLOYEES, CLIENTS, SUPPLIERS AND OTHER STAKEHOLDERS

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, clients, suppliers, banks, regulators and shareholders of the Company (the "Shareholders"). During the year ended 31 December 2017, there were no material and significant disputes between the Group and its key stakeholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last three years is set out on page 76 in this report. The summary does not form part of the audited financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 39 this annual report.

SHARE CAPITAL

Details of the share capital of the Company for the year ended 31 December 2017 are set out in Note 21 to the consolidated financial statements for the year ended 31 December 2017.

DISTRIBUTABLE RESERVES

As at 31 December 2017, in the opinion of the Directors, the reserves of the Company available for distribution to shareholders under the Companies Law of the Cayman Islands amounted to S$6,265,000.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2017, the Group did not have bank loans or other borrowings.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares after the Listing and up to 31 December 2017.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

MAJOR CLIENTS AND SUPPLIERS

In the year under review, the percentage of revenue derived from our five largest customers in aggregate accounted for 27.2% of total revenue (2016: 26.9%). Our largest customer accounted for 15.5% of total revenue. (2016: 10.6%)

For the year ended 31 December 2017, our largest supplier accounted for approximately 47.4% (2016: 52.2%) of our total purchases. For the year ended 31 December 2017, our five largest suppliers in aggregate accounted for approximately 70.7% (2016: 71.7%) of our total purchases.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers during the year ended 31 December 2017.

DIRECTORS

The directors during the year ended 31 December 2017 and up to the date of this report were as follows:

Executive Directors
Dr. Loh Teck Hiong *(Chairman)*
Dr. Ee Hock Leong
Dr. Kwah Yung Chien, Raymond

Independent Non-Executive Directors
Mr. Cheung Kiu Cho Vincent
Mr. Ong Kian Guan
Mr. Wong Siu Ki (deceased on 7 March 2018)

Pursuant to the Articles of Association, Dr. Ee Hock Leong and Dr. Kwah Yung Chien Raymond will retire and, being eligible, offer themselves for re-election at the AGM.

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' SERVICE CONTRACTS

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

Each of the independent non-executive Directors has entered into a letter of appointment with our Company on 22 September 2017. Each letter of appointment is for an initial term of one (1) year commencing from the Listing Date unless terminated by either party giving at least one month's notice in writing.

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

DIRECTORS' REMUNERATION

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

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

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 7 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

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

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the year ended 31 December 2017.

RETIREMENT BENEFIT SCHEMES

Other than payments to the Central Provident Fund in Singapore, the Group has not operated any other retirement benefit schemes for its employees. Particulars of the retirement benefit schemes are set out in note 22 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force during the year ended 31 December 2017. The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at the date of this report, the interests and short positions of each Director and chief executive in the Shares and underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in Shares

Name of Director	Capacity/nature of interest	Number of shares held	Percentage of interest in the Company
Dr. Loh Teck Hiong ("Dr. Loh")	Interest in controlled corporation *(Note 1)*	405,000,000	67.5%
Dr. Ee Hock Leong ("Dr. Ee")	Interest in a controlled corporation *(Note 2)*	405,000,000	67.5%
Dr. Kwah Yung Chien, Raymond ("Dr. Kwah")	Interest in a controlled corporation *(Note 3)*	405,000,000	67.5%

Notes:

(1) As Brisk Success Holdings Limited ("Brisk Success") is beneficially owned by Dr. Loh as to 33.33% and he was acting in concert with Dr. Ee and Dr. Kwah as to approximately 33.33% each, Dr. Loh is deemed to be interested in the Shares held by Brisk Success under the SFO.

(2) As Brisk Success is beneficially owned by Dr. Ee as to 33.33% and he was acting in concert with Dr. Loh and Dr. Kwah as to approximately 33.33% each, Dr. Ee is deemed to be interested in the Shares held by Brisk Success under the SFO.

(3) As Brisk Success is beneficially owned by Dr. Kwah as to 33.33% and he was acting in concert with Dr. Loh and Dr. Ee as to approximately 33.33% each, Dr. Kwah is deemed to be interested in the Shares held by Brisk Success under the SFO.

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

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

As at the date of this report, so far as it is known to the Directors, the following person, not being a Director or chief executive of our Company, will have an interest or short position in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Capacity/ nature of interest	Number of Shares held	Percentage of interest in the Company
Brisk Success	Beneficial owner *(Note 1)*	405,000,000	67.5%
Ms. Fung Yuen Yee	Interest of spouse *(Note 2)*	405,000,000	67.5%
Ms. Chou Mei	Interest of spouse *(Note 3)*	405,000,000	67.5%
Ms. Grace Lim Wen Li	Interest of spouse *(Note 4)*	405,000,000	67.5%
Magic Wave Holdings Limited	Beneficial Owner	45,000,000	7.5%
Dr. Wong Chun Yu *(Note 5)*	Interested in controlled corporation	45,000,000	7.5%
Ms. Wong Oi Yee Amy *(Note 5)*	Interested of spouse	45,000,000	7.5%

Notes:

(1) The entire issued share capital of Brisk Success is legally and beneficially owned as to approximately 33.33% by Dr. Loh, Dr. Ee and Dr. Kwah respectively. Accordingly, Dr. Loh, Dr. Ee and Dr. Kwah are deemed to be interested in 405,000,000 Shares held by Brisk Success by virtue of the SFO. Dr. Loh, Dr. Ee and Dr. Kwah are executive Directors and are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others.

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

(3) Ms. Chou Mei, being the spouse of Dr. Ee, is deemed to be interested in all the Shares in which Dr. Ee is interested in pursuant to the SFO.

(4) Ms. Grace Lim Wen Li, being the spouse of Dr. Kwah, is deemed to be interested in all the Shares in which Dr. Kwah is interested in pursuant to the SFO.

(5) Magic Wave Holdings Limited is wholly-owned by Dr. Wong Chun Yu and he is therefore deemed to be interested in the Shares held by Magic Wave Holdings Limited. Ms. Wong Oi Yee Amy, being the spouse of Dr. Wong Chun Yu, is deemed to be interested in all the Shares that Dr. Wong Chun Yu is interested in pursuant to the SFO.

COMPETING INTERESTS

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

SHARE OPTION SCHEME

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

(a) Purpose of the share option scheme

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

(b) Participants of the share option scheme

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

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

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

As at the date of this annual report, a total of 60,000,000 shares, representing approximately 10% of the issued share capital of the Company are available for issue under the Share Option Scheme.

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

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

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

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

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

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

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

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

(h) The basis of determining the exercise price

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

(i) The remaining life of the share option scheme

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

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 27 to 34 of this report.

CHANGE OF COMPLIANCE ADVISER

The Company and LY Capital Limited have mutually agreed to terminate the compliance adviser agreement dated 22 September 2017 with effect from 1 November 2017 due to departure of responsible officers of LY Capital.

Red Solar Capital Limited has been appointed as the replacement compliance adviser to the Company pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 1 November 2017. For further details, please refer to the announcement of the Company dated 30 October 2017.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Red Solar Capital Limited, as at 31 December 2017, save for the compliance adviser agreement dated 30 October 2017 entered into between the Company and Red Solar Capital Limited, neither Red Solar Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

COMPLIANCE OF NON-COMPETITION UNDERTAKING

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

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the Controlling Shareholders had complied with their undertakings given under the deed of non-competition for the year ended 31 December 2017.

ANNUAL GENERAL MEETING

The first annual general meeting of the Company (the "AGM") will be held on Monday, 14 May 2018. A notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Wednesday, 9 May 2018 to Monday, 14 May 2018, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 8 May 2018.

EQUITY-LINKED AGREEMENT

No equity-linked agreements were entered into during the year ended 31 December 2017 or subsisted as at 31 December 2017.

SUFFICIENCY OF PUBLIC FLOAT

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

CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2017, the Group has entered into a tenancy agreement for the purpose of opening of a new "family and skin" clinic in Holland Village in accordance with the future plans as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

AUDITOR

The consolidated financial statements for the year ended 31 December 2017 have been audited by Deloitte & Touche LLP, who will retire and being eligible, offer itself for re-appointment at the forthcoming AGM.

On Behalf of the Board

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

Hong Kong
22 March 2018

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Loh Teck Hiong, aged 48, is our executive Director, compliance officer, chairman of our Board and the chairman of the nomination committee. He is responsible for the overall management, branding, compliance and business development of our Group. Dr. Loh joined our Group in September 2013, was appointed as a Director on 22 March 2017 and was re-designated as an executive Director and appointed as the chairman on 18 May 2017.

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

Dr. Loh has over 16 years medical practice specialising in dermatology and has extensive experience in medical, surgical and laser dermatology with special interest in atopic eczema, skin allergy, paediatric dermatology, moles or birthmarks and skin cancers. Prior to becoming a founder of our Group, from May 1996 to August 1996, Dr. Loh worked as a Pre-registration House Officer in the Department of Surgery at the Aberdeen Royal Infirmary, United Kingdom, where he was responsible for consultation and diagnostic of patients under supervision of a registrar and consultant. Between August 1996 and February 1997, Dr. Loh worked as a House Officer of General Medicine department at the Northampton General Hospital in United Kingdom. From February 1997 to February 1998, Dr. Loh worked as a senior house officer in General and Neonatal Paediatrics at St. Peter's Hospital in the United Kingdom. From February 1998 to February 1999, Dr. Loh worked as a senior house officer at Guy's Hospital in the United Kingdom. His main duties included caring for patients from neonatology, paediatric cardiology and paediatric nephrology departments under the guidance of registrar and consultant. From September 1999 to March 2000, Dr. Loh was a Registrar in the Department of Paediatric, National University Hospital, Singapore and from May 2000 to April 2003, a Registrar at the National Skin Center in Singapore conducting consultation and diagnostic services to patients. From May 2003 to July 2005, Dr. Loh was an associate consultant dermatologist at the NSC, an outpatient specialist dermatological center in Singapore, where he was responsible for consultation and diagnosing patients, prescription and conducting treatments. Dr. Loh then established Dermatology Associates Pte. Ltd. in Singapore in November 2004 where he provided dermatology consultation and treatment until June 2014.

Dr. Ee Hock Leong, aged 45, is our executive Director and is responsible for operations of our Group. Dr. Ee joined our Group in January 2014 and was appointed as a Director on 22 March 2017 and was re-designated as an executive Director on 18 May 2017.

Dr. Ee graduated from the University of Sheffield, United Kingdom in July 1998 with a Bachelor of Medicine and Bachelor of Surgery. Dr. Ee was admitted as a member of the Royal College of Physicians of the United Kingdom in 2001, awarded Fellowships of the Royal College of Physicians of Edinburgh in 2011. Dr. Ee has over 18 years medical practice specialising in dermatology focusing in aesthetic dermatology, skin cancers, Mohs surgery and laser surgery. Dr. Ee was the author of two published chapters relating to laser dermatology and skin diseases and has published over 16 medical articles.

Prior to joining our Group, from August 1998 to November 1998, Dr. Ee worked as a house officer at the Royal Hallamshire Hospital, United Kingdom where he was principally responsible for caring of patients with infectious diseases, internal medicine, general surgery and urology. From August 1999 to February 2000, Dr. Ee was a senior house officer at the University Hospital Aintree, Liverpool, United Kingdom in gastroenterology in general medicine. From February 2000 to February 2001, Dr. Ee worked as a senior house officer in general medicine in the departments of renal medicine, emergency room, care of the elderly and cardiology at Hammersmith Hospital. From February 2001 to July 2001, Dr. Ee was a senior house officer at St. Mary's Hospital, United Kingdom where he was responsible for caring of patients with solid malignancies. From 2003 to 2005, Dr. Ee was a registrar at the NSC, Singapore where he was responsible for consultation, diagnosing patients, dispensation of prescriptions and conducting treatments. From March 2006 to December 2006, Dr. Ee was appointed as Honorary Clinical Fellow in the department of Dermatology, Specialist Medicine at the Guy's and St. Thomas Hospital NHS Trust, United Kingdom where he received training for treating patients with skin cancer with the use of Mohs surgery and treatment of aesthetic patients with injectable and laser treatments. From February 2006 to May 2011, Dr. Ee worked at the NSC in Singapore as an associate consultant and was later promoted to a consultant dermatologist in 2008 where he was principally responsible for procuring and establishing the first Mohs surgery in Singapore. From April 2011 to April 2014, Dr. Ee was a consultant at Specialist Skin Clinic and Associates in Singapore. From January 2014 to March 2015 Dr. Ee was appointed as visiting senior consultant at the Department of Medicine of Jurong Health Services Pte. Ltd.

Dr. Kwah Yung Chien Raymond (柯永堅), aged 42, is our executive Director, chief executive officer and a member of the remuneration committee. He is responsible for the overall execution of our Group's strategic planning and management and supervision of operations. Dr. Kwah joined our Group in January 2014 and was appointed as a Director on 22 March 2017. He was redesignated as an executive Director and appointed as our chief executive officer on 18 May 2017.

Dr. Kwah graduated from the National University of Singapore in August 1999 with a Bachelor of Medicine & Bachelor of Surgery. Dr. Kwah was admitted as a Member of the Royal College of Physician of the United Kingdom in November 2002 and Royal College of Physicians and Surgeons of Glasgow in 2007, respectively. He was admitted as a Fellow in the Academy of Medicine, Singapore in July 2011 and the Royal College of Physicians (Edinburgh) in 2014, respectively. Furthermore, Dr. Kwah has been the author of several published medical articles relating to skin cancer and dermatology since 2005.

Dr. Kwah has over 16 years of medical practice, specialising in dermatology with a focus on skin cancer management including Mohs surgery, general dermatology, aesthetic dermatology, dermatology surgery and laser treatment. From May 2001 to October 2002, he was a medical officer at Tan Tock Seng (Respiratory Medicine Department) Medical Hospital responsible for respiratory care, National Heart Centre (Singapore General Hospital) responsible for cardiology and Alexandra Hospital, Singapore doing general medicine. From May 2004 to October 2007, Dr. Kwah was a part time registrar at the NSC, Singapore. From November 2007 to September 2009, Dr. Kwah had been a Registrar and an Associate Consultant at the NSC. Dr. Kwah then spent a year as a Mohs micrographic surgery/ dermatosurgery fellow at the Royal Victoria Infirmary, Newcastle upon Tyne, United Kingdom from October 2009 to September 2010, where he was responsible for performing various skin related medical treatment and conducting training on dermatological procedures for registrars. He was also a visiting consultant at National Skin Centre and Khoo Teck Puat Hospital in Singapore where he was principally responsible for training dermatology trainees in dermatological treatments and review of workflow and equipping of the dermatological outpatient clinics from November 2010 to July 2012. Dr. Kwah was then a visiting consultant at Singapore General Hospital from October 2012 to March 2014.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Kiu Cho Vincent (張翹楚) (''Mr. Cheung''), aged 42, was appointed as our independent non-executive director on 22 September 2017. Mr. Cheung is a member of the audit committee and nomination committee.

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

Mr. Cheung has over 20 years of experience in the real estate industry and assets valuations sector. Prior to joining our Group, Mr. Cheung was a manager at Francis Lau & Co (Surveyors) Limited which he was responsible for carrying out general practice surveying from July 1997 to January 2000. Mr. Cheung then joined DTZ Bebenham Tie Leung Limited as valuer in February 2001 and was promoted to senior valuer in the valuation & advisory services department where he was responsible for handling land matters and statutory valuations. Mr. Cheung joined Sallmanns (Far East) Limited in March 2003 and left as a senior manager in 2005. Mr. Cheung was also an Associate Director of RHL Appraisal Limited from June 2005 to July 2006, responsible for corporate valuation and advisory in Hong Kong and China. Mr. Cheung joined Cushman & Wakefield Valuation Advisory Services (HK) Limited in 2006 and was promoted as the head of valuation, Greater China in 2009. Since January 2016, Mr. Cheung joined Colliers International (Hong Kong) Limited and has been promoted as the deputy managing director of valuation and advisory services, Asia, responsible for providing valuation and corporate advisory services across Asia. Mr. Cheung has been appointed as an independent non-executive director of Lisi Group (Holdings) Limited, (a company listed on the Main Board of the Stock Exchange, stock code: 526, whose principal business involved manufacturing and trading of household products, operation of department stores and supermarkets, wholesale of wine and beverages and electrical appliances and investments holdings) since June 2006.

Mr. Ong Kian Guan (王建源) (''Mr. Ong''), aged 50, was appointed as our independent non-executive Director on 22 September 2017 and is responsible for providing our Group with independent judgment on strategy, policy, performance, internal control, accountability and corporate governance. Mr. Ong is the chairman of the audit committee and a member of the nomination committee and remuneration committee.

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

Prior to joining our Group, Mr. Ong worked as an audit assistant with Deloitte & Touche from November 1993 to June 1994, and was promoted to audit senior from July 1994 to February 1995. Mr. Ong then joined Arthur Andersen LLP in February 1995 as senior in the assurance and business advisory division and was a manager from September 1997 to May 2002 where he was responsible for managing a portfolio of clients in audit of financial statements. He was appointed as the chief financial officer of Medtecs International Corporation Limited (a company listed on the Singapore Exchange Securities Trading Limited, stock code: 546, and on the Taiwan Stock Exchange Corporation, stock code: 9103, which principally engages in manufacturing and distributing medical consumables for the global healthcare industry) from September 2002 to November 2004. Mr. Ong has been a partner of Baker Tilly TFW LLP (formerly known as TeoFoongWongLCLoong, Singapore) since October 2005 and is now a director of Baker Tilly Consultancy (Singapore) Pte. Ltd.

Mr. Ong had been appointed as an independent non-executive director of China Animal Healthcare Ltd (a company listed on the Main Board of the Stock Exchange, stock code: 940, which carries on the business of manufacturing, sale and distribution of animal drugs) from December 2007 to June 2014 and an independent director of China Haida Ltd. (a company listed on the Singapore Exchange Securities Trading Limited, stock code: C92, which principally engages in manufacturing of aluminium panels) from October 2006 to April 2015. He has also been appointed as an independent non-executive director of China XLX Fertiliser Ltd (a company listed on the Main Board of the Stock Exchange, stock code: 1866, which principally engages in the manufacturing and sale of compound fertiliser and fertiliser and ammonia solution business) and Weiye Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1570, and on the Singapore Exchange Securities Trading Limited, Stock code BMA, which principally engages in property development business in the PRC) since May 2007 and March 2016, respectively and as an independent director of Alliance Mineral Assets Limited (a company listed on the Singapore Stock Exchange, stock code: 40F, which principally engages mining business) and Serrano Limited (a company listed on the Singapore Exchange Securities Trading Limited, stock code: 40R, which principally engages in providing interior fit-out solutions) since June 2014 and October 2014, respectively. Mr. Ong was a director of Tianfang Hospitality Trust Management Pte. Ltd., a company incorporated in Singapore which was struck off on 7 August 2017. The dissolution was due to its company becoming dormant and Mr. Ong confirmed that the company was solvent at the time of its dissolution and there was no wrongful act on his part leading to the dissolution and he was not aware of any claim which had been made or potential claim which will be made against him as a result of the dissolution.

Save as disclosed above, none of the Directors was a director in any listed companies in the last 3 years.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Kwong Choong Kuen (Huang Zhongquan) (黃仲權) ("Mr. Kwong"), aged 45, is our chief financial officer. He is responsible for overseeing the daily accounting and financial management of our Group. Mr. Kwong joined our Group in October 2016.

Mr. Kwong graduated from the Nanyang Technological University, Singapore in June 1996 with a Bachelor of Accountancy. He was admitted as a member of Institute of Certified Public Accountants of Singapore in September 1999 and qualified as a chartered accountant of Singapore of the Institute of Singapore Chartered Accountants in July 2013. Prior to joining our Group, Mr. Kwong had over 20 years of experience in finance and accounting. He was a senior auditor at Ernst and Young from July 1996 to September 1999 where he was responsible for reviewing auditing work of multi-national corporations and listed companies. Mr. Kwong then worked at Philips Electronics Singapore Pte Ltd. with his last position as financial controller from October 1999 to June 2013. From July 2013 to February 2016, Mr. Kwong worked as the financial controller, Leadership and Talent Consulting Group at Korn Ferry International Pte. Ltd., a company which principally provides organisational advisory and executive search services.

Ms. Ang Yiam Bee (洪嫣鎂) ("Ms. Ang"), aged 53, is our purchasing manager. She is responsible for our formulation and implementation of purchasing strategies. Ms. Ang joined our Group in May 2014.

Ms. Ang completed the General Certificate of Education 'O' level in December 1982. Prior to joining our Group, Ms. Ang joined the Post Office Savings Bank in Singapore as a bank assistant from August 1983 to February 1989 and worked for Cathay Pacific Airways Limited in the capacity of cabin attendant from July 1989 to March 1999 and was a clinic assistant of Leong Dental Surgeons, Singapore from March 2007 to December 2009, responsible for the assisting the daily operation of the dentist. She then worked in Dermatology Associates, a skin and laser specialist group in Singapore, as a clinic assistant of the treatment department from April 2013 to April 2014, responsible for assisting the doctors for treatments and surgical treatments.

Ms. Swee Yang Lin (Sun Yangling) (孫揚凌) ("Ms. Swee"), aged 40, is our operations manager and is responsible for our operations and alignment of business processes. Ms. Swee joined our Group in May 2014.

Prior to joining our Group, Ms. Swee joined Dermatology Associates, a skin and laser specialist group in Singapore from April 2011 to April 2014, responsible for attending to reception, dispensing and administrative works.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the period from the Listing date to 31 December 2017, the Company had complied with all the applicable code provisions of the CG Code.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the period from the Listing date to 31 December 2017.

BOARD OF DIRECTORS

Board Composition

As at the date of this report, the Board comprised of five Directors of which three are executive Directors and two are independent non-executive Directors. The composition of the Board during the period from the Listing date to 31 December 2017 and up to the date of this report was:

Executive Directors
Dr. Loh Teck Hiong *(Chairman)*
Dr. Kwah Yung Chien, Raymond *(Chief Executive Officer)*
Dr. Ee Hock Leong

Independent non-executive Directors
Mr. Ong Kian Guan *(appointed on 22 December 2017)*
Mr. Cheung Kiu Cho, Vincent *(appointed on 22 December 2017)*
Mr. Wong Siu Ki *(appointed on 22 December 2017 and deceased on 7 March 2018)*

During the year ended 31 December 2017, the Board had complied with the requirements of the GEM Listing Rules to have at least three independent non-executive Directors who represent more than one-third of the Board and with at least one of whom possesses appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 5.05 of the GEM Listing Rules.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules, except Mr. Wong Siu Ki who had decreased as at the date of this report. The Board considers all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules as at the date of this report.

CORPORATE GOVERNANCE REPORT

ROLES AND RESPONSIBILITIES OF THE BOARD

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

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

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

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

BOARD/BOARD COMMITTEE MEETINGS

The Board regularly meets in person or through other electronic means of communication to discuss amongst other matters, the direction and strategy of the Group, financial and operating performance and to review and approve the Group's quarterly, interim and annual results. During the period from Listing date to 31 December 2017, one audit committee meeting and one Board meeting were held for proposal and approving the 2017 third quarterly results for the nine months ended 30 September 2017.

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

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

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

	Attendance/Number of Meetings held	
	Board Meeting	Audit Committee
Executive Directors		
Dr. Loh Teck Hiong	1/1	–
Dr. Kwah Yung Chien, Raymond	1/1	–
Dr. Ee Hock Leong	1/1	–
Independent Non-Executive Directors		
Mr. Cheung Kiu Cho, Vincent	1/1	1/1
Mr. Wong Siu Ki (deceased on 7 March 2018)	1/1	1/1
Mr. Ong Kian Guan	1/1	1/1

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each appointment is for the term of one (1) year commencing from 22 September 2017 subject to subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

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

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are aware of code provision A.6.5 of the CG Code regarding continuing professional development programme for Directors. The Company would arrange and/or introduce suitable training and information for the Directors to ensure they are fully aware of their responsibilities under statute and common law, the GEM Listing Rules and other applicable legal and regulatory requirements. During the year ended 31 December 2017, the Company had arranged a seminar on the GEM Listing Rules, the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong, the "Companies Ordinance") and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the Directors. All Directors attended the seminar.

The training record of each Director as at 31 December 2017 is set out as below

	Attending seminar or briefings/perusal of materials in relation to business or Directors' duties
Excutive Directors	
Dr. Loh Teck Hiong	Yes
Dr. Kwah Yung Chien, Raymond	Yes
Dr. Ee Hock Leong	Yes
Independent non-executive Directors	
Mr. Cheung Kiu Cho, Vincent	Yes
Mr. Wong Siu Ki (deceased on 7 March 2018)	Yes
Mr. Ong Kian Guan	Yes

Directors' and Officers' Liabilities

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Group established an audit committee on 22 September 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code (the "Audit Committee"). As at the date of this report, the Audit Committee consists of two independent non-executive Directors, namely Mr. Ong Kian Guan and Mr. Cheung Kiu Cho, Vincent. Mr. Ong Kian Guan, our Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee. Following the pass away of Mr. Wong Siu Ki, the number of members of the Audit Committee was reduced to two which is below the minimum number prescribed under Rule 5.28 of the GEM Listing Rules. The Company is endeavoring to identify a suitable candidate to fill up the vacancy as soon as practicable in accordance with the GEM Listing Rules and will make further announcement(s) as and when appropriate.

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

During the year ended 31 December 2017, the Audit Committee held one meeting to consider and approve the third quarterly financial results for the nine months ended 30 September 2017 before submission to the Board, with a focus on compliance with accounting standards, the GEM Listing Rules and other requirements in relation to financial reporting.

The attendance of Audit Committee meeting is set out under the section headed "Board/Board Committees Meetings" on page 29 in this report.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2017, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor, Deloitte & Touche LLP.

REMUNERATION COMMITTEE

Our Company established a remuneration committee on 22 September 2017 with written terms of reference in compliance with code provision B.1.2 of the CG Code. The primary duties of the remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; review performance based remuneration; and ensure none of our Directors determine their own remuneration. As at the date of this report, the remuneration committee consists of two members who are Dr. Kwah Yung Chien Raymond and Mr. Ong Kian Guan. The Company is endeavoring to identify a suitable candidate to fill up the vacancy as soon as practicable in accordance with the GEM Listing Rules and will make further announcement(s) as and when appropriate.

During the year ended 31 December 2017, the remuneration committee passed one resolution to approve the bonus for senior management team.

NOMINATION COMMITTEE

Our Company established a nomination committee on 22 September 2017 with written terms of reference in compliance with code provision A.5.2 of the CG Code. The primary duties of the nomination committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; access the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or reappointment of Director. As at the date of this report, the nomination committee consists of three members who are Dr. Loh Teck Hiong, Mr. Ong Kian Guan and Mr. Cheung Kiu Cho Vincent. Dr. Loh Teck Hiong is the chairperson of the nomination committee. During the period from the Listing date to 31 December 2017, no nomination committee meeting was held.

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

ACCOUNTABILITY AND AUDIT

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function considering the current business structure size, nature and complexity. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness during the year.

The Group has engaged an internal control consultant, an independent third party, to undertake a review of the internal control system of the Group for the year ended 31 December 2017. The internal control consultant has reported findings and areas for improvement to the Board. The Board are of the view that there are no material internal control defects noted. All recommendations from the internal control consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable period of time.

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

AUDITOR'S REMUNERATION

Deloitte & Touche LLP was appointed by the Board as the auditor of the Company. The remuneration paid or payable to Deloitte & Touche LLP and its member firms for services rendered for the year ended 31 December 2017 were as follows:

	S$'000
Audit services	145
Other assurance services	436

The amount of fee incurred for other assurance services mainly included S$201,000 of the service fee paid to Deloitte Touche Tohmatsu as the reporting accountant of the Company in relation to the Listing. The Audit Committee was satisfied that other assurance services for the year ended 31 December 2017 did not affect the independence of the auditors.

COMPLIANCE OFFICER

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

COMPANY SECRETARY

Mr. Man Yun Wah ("Mr. Man"), aged 35, was appointed as our company secretary on 18 May 2017.

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

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

Mr. Man has confirmed that he had received no less than 15 hours of relevant professional training for the year ended 31 December 2017, in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

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

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

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

SHAREHOLDERS' RIGHTS

Right to convene extraordinary general meeting

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

Right to put forward proposals at General Meetings

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

Right to Put Enquiries to the Board

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

INVESTOR RELATIONS

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

CONSTITUTIONAL DOCUMENTS

During the period from the Listing date to 31 December 2017, there had been no significant change in the Company's constitutional documents.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RMH HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of RMH Holdings Limited (the "Company") and its subsidiaries (herein referred to as the "Group") set out on pages 39 to 75, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of trade receivables *(Note 16)*	
Refer to Note 4 for relevant accounting policy and Notes 16 and 28 for breakdown and credit risk of trade receivables respectively. As at 31 December 2017, trade receivables of S$652,000 (2016: S$561,000) accounted for 69.3% (2016: 73.7%) of total current assets (excluding bank balances and cash). The Group offers credit terms of 45 to 90 days from date of invoice to corporate customers comprised of mainly insurance companies. Management applied judgement in determining the appropriate allowance for doubtful debts by taking into consideration various factors, including age of these receivables, historical payment trend, credit worthiness of the customers and future collectability.	Our audit procedures included: • Obtaining an understanding of the Group's relevant controls over the monitoring and collection of trade receivables; • Evaluating management's assessment to support the collectability of the receivables; • Reviewing the specific analysis of individual customers with long overdue balances, including the profile, background and financial standing of the customers; • Discussing with management on the recoverability of past due debts to assess the adequacy of allowance for trade receivables; and • Reviewing for subsequent collections from customers. We found management's estimate of allowance for doubtful debts to be reasonable.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF MANAGEMENT AND THE DIRECTORS OF THE COMPANY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Accountants and Chartered Accountants
Singapore

22 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Notes	2017 S$'000	2016 S$'000
Revenue	6	**7,054**	6,160
Other operating income	8	**23**	168
Consumables and medical supplies used		**(1,022)**	(940)
Other direct costs		**(108)**	(100)
Employee benefits expense		**(1,350)**	(1,012)
Depreciation of plant and equipment		**(192)**	(221)
Other operating expenses		**(1,546)**	(1,003)
Finance costs	9	**(16)**	(8)
Listing expenses		**(2,933)**	–
(Loss) profit before taxation	10	**(90)**	3,044
Income tax expense	11	**(380)**	(363)
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company		**(470)**	2,681
Basic (loss) earnings per share (S$ cents)	13	**(0.10)**	0.60

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 S$'000	2016 S$'000
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	*14*	**229**	394
Rental deposits		**64**	57
		293	451
Current assets			
Inventories	*15*	**201**	149
Trade receivables and other receivables	*16*	**740**	612
Bank balances and cash	*17*	**12,553**	478
		13,494	1,239
Current liabilities			
Trade and other payables	*18*	**601**	494
Income tax payables		**397**	445
Obligations under finance leases	*19*	**–**	111
		998	1,050
Net current assets		**12,496**	189
Total assets less current liabilities		**12,789**	640
Non-current liabilities			
Obligations under finance leases	*19*	**–**	170
Deferred tax liability	*20*	**34**	34
		34	204
Net assets		**12,755**	436
EQUITY			
Capital and reserves			
Share capital	*21*	**1,037**	2
Reserves		**11,718**	434
Equity attributable to owners of the Company		**12,755**	436

The consolidated financial statements on pages 39 to 75 were approved and authorised for issue by the Board of Directors on 22 March 2018 and are signed on its behalf by:

Dr. Loh Teck Hiong
Chairman

Dr. Kwah Yung Chien Raymond
Chief executive officer

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

	Share capital S$'000	Share premium S$'000	Other reserve *(Note)* S$'000	Retained earnings (Accumulated loss) S$'000	Total S$'000
At 1 January 2016	2	–	–	762	764
Profit and total comprehensive income for the year	–	–	–	2,681	2,681
Transactions with owners, recognised directly in equity:					
Dividends recognised as distribution *(Note 12)*	–	–	–	(3,009)	(3,009)
At 31 December 2016	2	–	–	434	436
Loss and total comprehensive expense for the year	–	–	–	(470)	(470)
Transactions with owners, recognised directly in equity:					
Transfer upon the Group Reorganisation as defined in Note 2	(1)	–	1	–	–
Issue of shares of Unified Front Limited ("Unified Front")	(1)	–	2,164	–	2,163
Issue of shares under the capitalisation issue *(Note 21d)*	777	(777)	–	–	–
Issue of shares under the share offer *(Note 21e)*	260	12,174	–	–	12,434
Transaction costs directly attributable to issue of shares	–	(1,808)	–	–	(1,808)
At 31 December 2017	1,037	9,589	2,165	(36)	12,755

Note: Other reserve represents the proceeds from issue of shares of Unified Front to the Pre-IPO Investor as defined in Note 2 and the difference between the share capital of the Company issued pursuant to the Group Reorganisation as stated in Note 2 and the share capital of Unified Front acquired by the Company.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

	2017 **S$'000**	2016 S$'000
Operating activities		
(Loss) profit before taxation	**(90)**	3,044
Adjustments for:		
Finance costs	**16**	8
Depreciation of plant and equipment	**192**	221
Operating cash flows before working capital changes	**118**	3,273
Movements in working capital:		
(Increase) decrease in inventories	**(52)**	9
Increase in trade and other receivables and rental deposits	**(135)**	(267)
Increase in trade and other payables	**107**	190
Cash generated from operations	**38**	3,205
Income tax paid	**(428)**	(367)
Cash (used in) from operating activities	**(390)**	2,838
Investing activity		
Purchase of plant and equipment	**(27)**	(48)
Cash used in investing activity	**(27)**	(48)
Financing activities		
Dividends paid	**–**	(3,009)
Issue of shares of Unified Front to the Pre-IPO Investor as defined in Note 2	**2,163**	–
Proceeds from issue of shares *(Note 21e)*	**12,434**	–
Direct transaction costs paid	**(1,808)**	–
Finance costs paid	**(16)**	(8)
Repayments of obligations under finance leases	**(281)**	(111)
Cash from (used in) financing activities	**12,492**	(3,128)
Net increase (decrease) in cash and cash equivalents	**12,075**	(338)
Cash and cash equivalents at beginning of the year	**478**	816
Cash and cash equivalents at end of the year, represented by bank balances and cash *(Note 17)*	**12,553**	478

See accompanying notes to consolidated financial statements.

1 GENERAL

RMH Holdings Limited (the "Company") is incorporated and registered as an exempted company in the Cayman Islands with limited liability under Cayman Companies Law on 22 March 2017. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") on 25 May 2017 and the principal place of business in Hong Kong registered is at Room 5705, 57th Floor, The Center, 99 Queen's Road Central Hong Kong. The head office and principal place of business of the Group in Singapore is at #15-09 Paragon (Office Tower), 290 Orchard Road, Singapore 238859. The shares of the Company have been listed on the Growth Enterprise Market ("GEM") Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 13 October 2017.

The Company is a subsidiary of Brisk Success Holdings Limited ("Brisk Success"), incorporated in the British Virgin Islands ("BVI"), which is also the Company's ultimate holding company. Dr. Loh Teck Hiong ("Dr. Loh"), Dr. Ee Hock Leong ("Dr. Ee") and Dr. Kwah Yung Chien Raymond ("Dr. Kwah") jointly control Brisk Success and are the controlling shareholders of the Company (together referred to as the "Controlling Shareholders").

The Company is an investment holding company and the principal activities of the subsidiaries are disclosed in Note 25.

The consolidated financial statements are presented in Singapore Dollars ("S$") in thousand.

The consolidated financial statements for the year ended 31 December 2017 were authorised for issue by the Board of Directors of the Company on 22 March 2018.

2 GROUP REORGANISATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

For purposes of listing the Company's shares on the GEM Board of the Stock Exchange of Hong Kong Limited, the Group underwent the following reorganisation (the "Group Reorganisation"):

(i) Brisk Success was incorporated in the BVI on 23 November 2016 as a company limited by shares. On incorporation, Brisk Success is authorised to issue a maximum of 50,000 shares of a single class each with no par value and had an issued and paid-up capital of US$99 divided into 99 shares. Dr. Loh, Dr. Ee and Dr. Kwah each subscribed for, and Brisk Success allotted and issued to each of them 33 shares in Brisk Success for cash at US$99 in total. As a result, Brisk Success was owned as to 33.3% by each of Dr. Loh, Dr. Ee and Dr. Kwah as initial subscribers.

(ii) Unified Front Limited ("Unified Front ") was incorporated in the BVI on 8 December 2016 as a company limited by shares. Unified Front is authorised to issue a maximum of 50,000 shares of a single class each with no par value. On 1 February 2017, Brisk Success subscribed for, and Unified Front allotted and issued to Brisk Success, 81 shares in Unified Front for cash at US$81 in total. As a result, Unified Front was owned 100% by Brisk Success with an issued and paid-up capital of US$81 divided into 81 shares.

2 GROUP REORGANISATION AND BASIS OF PREPARATION (CONTINUED)

(iii) On 22 March 2017, the Company was incorporated and registered as an exempted company in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of a par value of HK$0.01 each. At the date of the incorporation of the Company, the one initial nil-paid subscriber share (the "Initial Share") was allotted and issued to its initial subscriber. On the same date, the initial subscriber transferred the Initial Share to Brisk Success.

(iv) On 27 March 2017, Dr. Loh, Dr. Ee and Dr. Kwah transferred their entire equity interest in Dermatology & Surgery Clinic Pte. Ltd ("D&S Clinic") to Unified Front in consideration of Unified Front allotting and issuing 3 shares in Unified Front to Brisk Success credited as fully paid, at the direction of Dr. Loh, Dr. Ee and Dr. Kwah.

(v) On 27 March 2017, Dr. Loh, Dr. Ee and Dr. Kwah transferred their entire equity interest in Dermatology & Surgery Clinic (Orchard) Pte. Ltd ("D&S Clinic (Orchard)") to Unified Front in consideration of Unified Front allotting and issuing 3 shares in Unified Front to Brisk Success credited as fully paid, at the direction of Dr. Loh, Dr. Ee and Dr. Kwah.

(vi) On 27 March 2017, Dr. Loh, Dr. Ee and Dr. Kwah transferred their entire equity interest in Dermatology & Surgery Clinic (Shenton) Pte. Ltd ("D&S Clinic (Shenton)") to Unified Front in consideration of Unified Front allotting and issuing 3 shares in Unified Front to Brisk Success credited as fully paid, at the direction of Dr. Loh, Dr. Ee and Dr. Kwah.

(vii) On 18 April 2017, pursuant to the Pre-IPO Subscription Agreement (as defined in the Prospectus), Unified Front allotted and issued to the Pre-IPO Investor (as defined in the Prospectus), 10 shares in Unified Front for cash at HK$12,000,000 (equivalent to approximately S$2,164,000) in total.

(viii) On 11 May 2017, Brisk Success and the Pre-IPO Investor transferred their respective equity interests in Unified Front, representing the entire issued share capital of Unified Front, to the Company in consideration of which, (a) the Company allotted and issued 89 and 10 shares to Brisk Success and the Pre-IPO Investor respectively, all credited as fully paid, and (b) the Initial Share held by Brisk Success was credited as fully paid.

Pursuant to the Group Reorganisation above, the Company became the holding company for the entities comprising the Group. The Group comprising the Company and its subsidiaries resulting from the Group Reorganisation have been under the common control of the Controlling Shareholders throughout the years ended 31 December 2017 and 2016 or since their respective dates of incorporation, where there is a shorter period and is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the years ended 31 December 2017 and 2016, or since their respective dates of incorporation or establishment where this is a shorter period.

3 APPLICATION OF NEW AND REVISED IFRSs

On 1 January 2017, the Group adopted all the new and revised IFRSs and Interpretations of IFRS ("INT IFRS") that are effective and relevant to its operations. The adoption of these new/revised IFRSs and INT IFRSs does not result in significant changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

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

IFRS 9	Financial instruments[1]
IFRS 15	Revenue from contracts with customers (and the related clarifications)[1]
IFRS 16	Leases[2]
IFRIC 22	Foreign currency transactions and advance consideration[1]
Amendments to IFRSs	Annual improvements to IFRS standards 2014–2016 cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2018

[2] Effective for annual periods beginning on or after 1 January 2019

Except as described below, the management of the Group considers that the application of the other new and revised standards and amendments is unlikely to have a material impact on the Group's financial position and performance as well as disclosure.

IFRS 9 Financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

IFRS 9 Financial instruments (Continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under IAS 39 mainly attributable to expected credit losses provision on financial instruments. Such further impairment recognised under expected credit loss model would increase the opening accumulated loss at 1 January 2018.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarification to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 "Leases" and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flow respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of approximately S$951,000 (2016: S$1,200,000) as disclosed in Note 23. Upon the adoption of IFRS 16, the directors of the Company expect that the operating lease commitments in the future in respect of the leased premises with the terms more than twelve months will be required to be recognised in the consolidated financial statements in the future as right-of-use assets and lease liabilities. The directors of the Company do not expect the adoption of IFRS 16 as compared with the current accounting policy of the Group would result in significant impact on the Group's result.

In addition, the Group currently considers refundable rental deposits paid of approximately S$64,000 as rights under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

Except for the above, the directors of the Company anticipate that the application of the other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the future.

4 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share based payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

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

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

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

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

The principal accounting policies adopted are set out below.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

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

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

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

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Merger accounting for business combination involving entities under common control

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

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

Financial assets

Financial assets are classified as "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or significant delay in payments are objective evidence that these financial assets are impaired.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Equity instruments

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

Financial liabilities at amortised cost

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

Effective interest method

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

Derecognition of financial liabilities

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

Plant and equipment

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

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

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

Assets held under finance leases are depreciated over their expected useful life on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful life.

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

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

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

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

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

Provisions

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currency transactions

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

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

Exchange differences on monetary items are recognised in profit or loss for the period in which they arise.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

Revenue from provision of consultation services ("Consultation Services") are recognised when services are provided.

Revenue from provision of medical skincare treatments of surgical and non-invasive/minimally invasive in nature ("Treatment Services") are recognised when services are provided.

Revenue from dispensing of medication and skincare products ("Prescription and Dispensing Services") are recognised when the dispensing is made.

Other revenue mainly represents service income from patients in relation to laboratory tests carried out during the treatment procedures ("Other Services"). Other revenue are recognised when the services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government grants

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

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

Taxation

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Retirement benefits costs

Payments to the Central Provident Fund in Singapore as defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term benefits

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

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the group's accounting policies

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

Key sources of estimation uncertainty

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

Allowances for doubtful debts

The policy for allowances for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of trade receivables and on management's judgement. The carrying amounts of trade receivables as at 31 December 2017 and 2016 for the Group are disclosed in Note 16. A considerable amount of judgement by management is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and the on-going business relationship with the customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

6 REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on provision of dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures, to customers in Singapore. The major categories of the Group's operating activities include Consultation Services, Prescription and Dispensing Services and Treatment Services. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies same as those of the Group as described in Note 4. Dr. Loh, Dr. Ee and Dr. Kwah, directors of the Company, have been identified as the chief operating decision makers ("CODM"). The CODM review the Group's revenue analysis by services and products in order to assess performance and allocate resources.

Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance and allocation of resources. The CODM review the results of the Group as a whole to make decisions. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue analysis

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

	2017 **S$'000**	2016 S$'000
Consultation Services	**1,794**	1,557
Prescription and Dispensing Services	**1,956**	1,690
Treatment Services	**2,821**	2,492
Other services *(Note)*	**483**	421
	7,054	6,160

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

Geographical information

The Group's operations are located in Singapore. All of the Group's revenue from external customers based on the location of the Group's operations is from Singapore.

The geographical location of the Group's non-current assets is situated in Singapore based on physical location of assets.

Information about major customers

There was no revenue from patients individually contributing over 10% of the total revenue of the Group for the years ended 31 December 2017 and 2016.

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

	2017 **S$'000**	2016 S$'000
Insurance Company A	**1,097**	654

Other than Insurance Company A, there was no revenue from insurance companies individually contributing over 10% of the total revenue of the Group for the years ended 31 December 2017 and 2016.

7 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' and Chief Executive's emoluments

Dr. Loh, Dr. Ee and Dr. Kwah are appointed as directors of the Company on 22 March 2017. The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as directors of the entities comprising the Group prior to becoming the directors of the Company) by the entities comprising the Group are as follows:

	Fee S$'000	Salaries and allowances S$'000	Contributions to retirement benefit scheme S$'000	Total S$'000
For the year ended 31 December 2017				
Executive Directors *(Note c)*				
Loh Teck Hiong *(Note a)*	–	195	12	207
Ee Hock Leong	–	195	12	207
Kwah Yung Chien Raymond *(Note b)*	–	195	12	207
Independent Non-Executive Directors *(Note d)*				
Mr. Cheung Kiu Cho Vincent	6	–	–	6
Mr. Ong Kian Guan	8	–	–	8
Mr. Wong Siu Ki	6	–	–	6
	20	585	36	641
For the year ended 31 December 2016				
Executive Directors				
Loh Teck Hiong *(Note a)*	–	180	12	192
Ee Hock Leong	–	180	12	192
Kwah Yung Chien Raymond *(Note b)*	–	180	12	192
	–	540	36	576

Notes:

(a) Dr. Loh was redesignated as the chairman of the Company with effect from 18 May 2017.

(b) Dr. Kwah was redesignated as the chief executive officer of the Company with effect from 18 May 2017.

(c) The executive directors' emoluments were for their services in connection with the management of the affairs of the Company and its subsidiaries undertaking.

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

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

7 DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Employees' emoluments

The five highest paid individuals included the three executive directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining two (2016: two) individuals were as follows:

	2017 S$'000	2016 S$'000
Salaries, bonuses and other benefits	**146**	87
Contributions to retirement benefits scheme	**20**	15
	166	102

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

	2017	2016
Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**3**	3
	5	5

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

8 OTHER OPERATING INCOME

	2017 S$'000	2016 S$'000
Government grant *(Note)*	**9**	157
Sundry income	**14**	11
	23	168

Note: Government grant represents primarily government subsidies in form of cash payout from Inland Revenue Authority of Singapore under the Productivity and Innovation Credit Scheme which compensates the Group in relation to qualifying expenditure incurred.

9 FINANCE COSTS

	2017 S$'000	2016 S$'000
Interests on:		
Obligations under finance leases	**16**	8

10 (LOSS) PROFIT BEFORE TAXATION

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

	2017 S$'000	2016 S$'000
Audit fees (included in other operating expenses)	**145**	120
Administrative fees (included in other operating expense)	**321**	240
Professional and consulting fees (included in other operating expenses)	**289**	97
Employee benefits expense:		
Directors' remunerations *(Note 7)*	**641**	576
Other staff costs		
— salaries, bonus and other benefits	**607**	373
— contributions to retirement benefits scheme	**102**	63
	1,350	1,012

11 INCOME TAX EXPENSE

	2017 S$'000	2016 S$'000
Tax expense comprises:		
Singapore corporate income tax ("CIT")		
— Current tax	**380**	358
— Overprovision in prior years	**–**	(4)
	380	354
Deferred tax expense *(Note 20)*	**–**	9
	380	363

Singapore CIT is calculated at 17% (2016: 17%) of the estimated assessable profit eligible for CIT rebate of 50%, capped at S$25,000 for the Year of Assessment 2017, and adjusted to 20%, capped at S$10,000 for the Year of Assessment 2018. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$290,000 of normal chargeable income. The Singapore companies which meet the qualifying condition as start-up companies can enjoy 100% tax exemption on the first S$100,000 of normal chargeable income and a further 50% tax exemption on the next S$200,000 of normal chargeable income at the relevant year of assessment.

11 INCOME TAX EXPENSE (CONTINUED)

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

	2017 **S$'000**	2016 S$'000
(Loss) profit before taxation	**(90)**	3,044
Tax at applicable tax rate of 17% (2016: 17%)	**(15)**	517
Tax effect of expenses not deductible for tax purpose	**3**	38
Tax effect of income not taxable for tax purpose	**(50)**	(17)
Effect of tax concessions and tax exemptions	**(123)**	(171)
Effect of different tax rate on company operating in other jurisdictions	**565**	–
Overprovision in prior years	**–**	(4)
Income tax expense	**380**	363

12 DIVIDENDS

In the year ended 31 December 2016, total dividends of approximately S$3,009,000 were declared and distributed by D&S Clinic, D&S Clinic (Orchard) and D&S Clinic (Shenton) to their then shareholders.

The rate of dividends and number of shares ranking for the dividends are not presented as such information is not considered meaningful having regard to the purpose of this report.

13 (LOSS) EARNINGS PER SHARE

	2017	2016
(Loss) profit attributable to the owners of the Company (S$'000)	**(470)**	2,681
Weighted average number of ordinary shares in issue ('000)	**480,000**	450,000
Basic (loss) earnings per share (S$ cents)	**(0.10)**	0.60

The number of shares for the purpose of calculating basic (loss) earnings per share for the years ended 31 December 2017 and 2016 have been determined on the assumption that the Group Reorganisation and the capitalisation issue as set out in Note 21 have been effective since 1 January 2016.

For the years ended 31 December 2017 and 2016, no separate diluted (loss) earnings per share information has been presented as there was no dilutive potential ordinary shares outstanding.

14 PLANT AND EQUIPMENT

	Medical equipment S$'000	Computer and office equipment S$'000	Leasehold improvements S$'000	Total S$'000
COST				
At 1 January 2016	704	27	170	901
Additions	–	33	15	48
At 31 December 2016	704	60	185	949
Additions	16	11	–	27
At 31 December 2017	720	71	185	976
ACCUMULATED DEPRECIATION				
At 1 January 2016	276	11	47	334
Provided for the year	175	11	35	221
At 31 December 2016	451	22	82	555
Provided for the year	140	15	37	192
At 31 December 2017	591	37	119	747
CARRYING VALUES				
At 31 December 2017	129	34	66	229
At 31 December 2016	253	38	103	394

As at 31 December 2016, the carrying values of plant and equipment included amounts of approximately S$186,000 in respect of assets held under finance leases.

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

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

15 INVENTORIES

	2017 S$'000	2016 S$'000
Consumables and medical supplies	**201**	149

16 TRADE AND OTHER RECEIVABLES

	2017 S$'000	2016 S$'000
Trade receivables	**652**	561
Deposits	**26**	23
Prepayment	**46**	28
Other receivables	**16**	–
	740	612

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

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

	2017 S$'000	2016 S$'000
0–30 days	**159**	141
31–60 days	**143**	206
61–90 days	**102**	133
Over 90 days	**248**	81
Total	**652**	561

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2017 and 2016, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately S$248,000 and S$81,000 respectively which were past due but not impaired. The trade receivables which were past due but not impaired were amounts due from the insurance companies which have strong financial backgrounds and continuous settlements and these insurance companies do not have historical default of payments. In the opinion of the directors of the Company, these amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The following is an ageing analysis of trade receivables which are past due but not impaired:

	2017 **S$'000**	2016 S$'000
Overdue by:		
0–30 days	**48**	77
Over 30 days	**200**	4
Total	**248**	81

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

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of each reporting period. The directors of the Company believe that no credit provision is required.

17 BANK BALANCES AND CASH

As at 31 December 2017, certain balances amounting to S$9,298,000 (2016: S$Nil) which carry interest at prevailing market rate of 0.01% (2016: Nil) per annum, the remaining balances do not carry interest.

18 TRADE AND OTHER PAYABLES

	2017 S$'000	2016 S$'000
Trade payables	**34**	60
Accrued staff cost	**36**	135
Accrued operating expenses	**229**	201
Other tax payables	**45**	66
Other payables	**257**	32
	601	494

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

	2017 S$'000	2016 S$'000
0–30 days	**32**	25
31–60 days	**1**	18
61–90 days	**–**	15
Over 90 days	**1**	2
	34	60

19 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payment	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Amounts payable under finance leases				
Within one year	–	119	–	111
In more than one year but not more than two years	–	119	–	111
In more than one year but not more than five years	–	64	–	59
	–	302	–	281
Less: future finance charges	–	(21)	–	N/A
Present value of lease obligations	–	281		
Less: Amounts due for settlement				
Within one year (shown under current liabilities)			–	(111)
Amounts due for settlement after one year			–	170

The Group leased certain of its medical equipment under finance leases. The average lease term is five years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates at 1.48% per annum as at 31 December 2016. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. As at 31 December 2016, the Group's obligations under finance leases were secured by the lessor's charge over the leased medical equipment and were guaranteed by the directors of the Company collectively. As at 31 December 2017, all finance leases have been fully repaid.

20 DEFERRED TAXATION

	Accelerated tax depreciation
	S$'000
At 1 January 2016	25
Charge to profit or loss *(Note 11)*	9
At 31 December 2016 and 31 December 2017	34

21 SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Group Reorganisation in the consolidated statement of financial position, the balance as at 1 January 2016 and 31 December 2016 represented the share capital of the Singapore subsidiaries.

Details of the share capital are disclosed as follows:

	Number of shares	Par value HK$	Share capital HK$'000
Authorised share capital of the Company:			
At date of incorporation on 22 March 2017 *(Note a)*	38,000,000	0.01	380
Increase on 22 September 2017 *(Note b)*	962,000,000	0.01	9,620
At 31 December 2017	1,000,000,000	0.01	10,000

	Number of shares	Share capital S$'000
Issued and fully paid shares of the Company:		
At date of incorporation on 22 March 2017 *(Note a)*	1	–
Issue of shares pursuant to the Group Reorganisation *(Note c)*	99	–
Issue of shares under the capitalisation issue *(Note d)*	449,999,900	777
Issue of shares under the share offer *(Note e)*	150,000,000	260
At 31 December 2017	600,000,000	1,037

Notes:

(a) The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. On 22 March 2017, one initial nil-paid subscriber share was allotted and issued to its initial subscriber. On the same date, the initial subscriber transferred the Initial Share to Brisk Success.

(b) Pursuant to the written resolutions passed by the shareholders on 22 September 2017, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 ordinary shares to HK$10,000,000 divided into 1,000,000,000 ordinary shares by the creation of additional 962,000,000 new ordinary shares which shall, when issued, rank pari passu in all respects with the existing issued ordinary shares.

(c) Following the Group Reorganisation as disclosed in Note 2 to the consolidated financial statements, on 11 May 2017, Brisk Success and the Pre-IPO Investor transferred their respective equity interests in Unified Front, representing the entire issued share capital of Unified Front, to the Company in consideration of which, (a) the Company allotted and issued 89 and 10 shares to Brisk Success and the Pre-IPO Investor respectively, all credited as fully paid, and (b) the Initial Share held by Brisk Success was credited as fully paid.

(d) Pursuant to the written resolutions passed by the shareholders of the Company on 22 September 2017, after the share premium account of the Company being credited as a result of the placing of the Company's shares, the directors of the Company were authorised to capitalise the amount of HK$4,499,999 (equivalent to approximately S$777,000) from the share premium account of the Company and to apply such amount as to pay up in full at par a total 449,999,900 ordinary shares of HK$0.01 each for allotment and issue existing shareholders of the Company.

(e) On 13 October 2017, the Company placed 135,000,000 ordinary shares and public offer of 15,000,000 new shares at HK$0.48 per share for a total gross proceeds of approximately HK$72,000,000 (equivalent to approximately S$12,434,000).

22 RETIREMENT BENEFITS SCHEME

As prescribed by the Central Provident Fund ("CPF") Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. From 1 January 2016 onwards, the Group's contribution rates of the eligible employees' salaries remain the same, with each employee's qualifying salary capped at S$6,000 per month.

The total cost of S$138,000 for the year ended 31 December 2017 (2016: S$99,000) charged to the consolidated statement of profit or loss and other comprehensive income represents contributions paid or payable to the CPF by the Group.

23 OPERATING LEASE COMMITMENTS

The Group as lessee

	2017 S$'000	2016 S$'000
Minimum lease payments paid under operating leases during the year in respect of rented clinics included in other operating expenses	**395**	367

At the end of the reporting periods, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2017 S$'000	2016 S$'000
Within one year	**428**	377
In the second to fifth year inclusive	**523**	823
	951	1,200

24 RELATED PARTY TRANSACTIONS

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

Compensation of key management personnel

	2017 S$'000	2016 S$'000
Salaries, performance bonus and other benefits	**585**	540
Contributions to retirement benefits scheme	**36**	36
	621	576

25 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of company	Place of incorporation/ operation and date of incorporation	Attributable equity interests of the Group and the respective voting right held by the Group as at		Issued and fully paid share capital as at date of this report	Principal activities
		31 December 2017	31 December 2016		
Directly held					
Unified Front	BVI/Singapore 8 December 2016	**100%**	100%	Ordinary shares of US$1,542,506 (equivalent to approximately S$2,164,000)	Investment holding
Indirectly held					
D&S Clinic	Singapore/Singapore 5 September 2013	**100%**	100%	Ordinary shares of S$900	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures
D&S Clinic (Orchard)	Singapore/Singapore 20 January 2014	**100%**	100%	Ordinary shares of S$300	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures
D&S Clinic (Shenton)	Singapore/Singapore 6 February 2014	**100%**	100%	Ordinary shares of S$300	Provision of all-round dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures

Unified Front is directly held by the Company. All other subsidiaries are indirectly held by the Company. All entities comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

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

26 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

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

	2017 S$'000
ASSETS AND LIABILITIES	
Non-current asset	
Investment in a subsidiary	3,353
Current assets	
Amount due from a subsidiary	409
Other receivables	28
Bank balances and cash	9,298
	9,735
Current liabilities	
Amount due to a subsidiary	2,164
Other payables and accruals	269
	2,433
Net current assets	7,302
Net assets	10,655
EQUITY	
Capital and reserves	
Share capital	1,037
Reserves	9,618
Equity attributable to owners of the Company	10,655

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

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

	Share capital S$'000	Share premium S$'000	Other reserves S$'000	Accumulated loss S$'000	Total S$'000
At 22 March 2017 (date of incorporation)	–	–	–	–	–
Loss and total comprehensive expense for the year:	–	–	–	(3,324)	(3,324)
Transactions with owners, recognised directly in equity:					
Arising from the Group Reorganisation	–	–	3,353	–	3,353
Issue of shares under the capitalisation issue *(Note 21d)*	777	(777)	–	–	–
Issue of shares under the share offer *(Note 21e)*	260	12,174	–	–	12,434
Transaction costs directly attributable to issue of shares	–	(1,808)	–	–	(1,808)
At 31 December 2017	1,037	9,589	3,353	(3,324)	10,655

27 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged in 2017 and 2016.

The capital structure of the Group represents obligations under finance leases and equity attributable to owners of the Company, comprising issued share capital and reserves.

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

28 FINANCIAL INSTRUMENTS

Categories of financial instruments

	2017 **S$,000**	2016 S$'000
Financial assets		
— Loans and receivables		
Trade receivables	**652**	561
Deposits	**26**	23
Other receivables	**16**	–
Bank balances and cash	**12,553**	478
Total	**13,247**	1,062
Financial liabilities		
— Amortised cost		
Trade and other payables *(Note)*	**556**	428
Total	**556**	428

Note: Excluding other tax payables.

Financial risk management objectives and policies

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

Market risk

Interest rate risk

The Group does not have any exposure interest rate risk.

The Group is exposed to fair value interest rate risk in relation to obligations under finance leases liabilities (see Note 19 for details of these obligations under finance leases).

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

28 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk

As at 31 December 2017, certain bank balances and other payables are denominated in HK$ which amounted to S$9,298,000 (2016: S$Nil) and S$22,000 (2016: S$Nil) respectively.

Assuming that all other variables remain constant at year end, a 10% depreciation/appreciation of S$ against HK$ would result in a decrease/increase in the Group's loss for the year of approximately S$928,000 for the year ended 31 December 2017 (2016: S$Nil).

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arise.

Credit risk

Included in financial assets as at 31 December 2017 as a component of bank balances and cash is S$9,298,000, placed in a bank in Hong Kong. The remaining bank balances are place in 3 banks (2016: 3) in Singapore. All these counterparties have been assessed by management to be financially sound.

Other than the concentration of credit risk of bank balances and cash in Hong Kong, the Group's concentration of credit risk by geographical locations is mainly in Singapore, which accounted for 30% of the total financial assets as at 31 December 2017 (2016: 100%).

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Management of the Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require in collateral in respect of financial assets.

At the end of each reporting period, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Liquidity risk

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

28 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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

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

Liquidity tables

	Weighted average effective interest rate %	1 to 3 months S$'000	3 months to 1 year S$'000	1 to 2 years S$'000	2 to 5 years S$'000	Total undiscounted cash flows S$'000	Carrying amount at the end of the reporting date S$'000
At 31 December 2016							
Non-derivative financial liabilities							
Trade and other payables	N/A	428	–	–	–	428	428
Obligations under finance leases	1.48	29	90	119	64	302	281
		457	90	119	64	730	709
At 31 December 2017							
Non-derivative financial liabilities							
Trade and other payables	N/A	556	–	–	–	556	556

Fair value

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

FINANCIAL SUMMARY

	For the year ended 31 December		
	2015	2016	**2017**
	S$'000	S$'000	**S$'000**
RESULTS			
Revenue	5,596	6,160	**7,054**
(Loss) profit before taxation	2,579	3,044	**(90)**
Income tax expenses	(328)	(363)	**(380)**
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company	2,251	2,681	**(470)**

	As at 31 December		
	2015	2016	**2017**
	S$'000	S$'000	**S$'000**
ASSETS AND LIABILITIES			
Total assets	1,943	1,690	**13,787**
Total liabilities	1,179	1,254	**1,032**
Total equity attributable to owners of the Company	764	436	**12,755**