



SINGAPORE MEDICAL GROUP LIMITED (Co. Reg. No.: 200503187W)

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	30/6/2016	30/6/2015	Increase/ (decrease)
	S\$'000	S\$'000	%
Revenue	19,473	14,586	33.5
Cost of sales	(12,978)	(10,121)	28.2
Gross profit	6,495	4,465	45.5
Other items of income			
Financial income	6	33	(81.8)
Other income	145	232	(37.5)
Other items of expense			
Distribution and selling expenses	(1,155)	(946)	22.1
Administrative expenses	(4,484)	(3,753)	19.5
Financial expenses	(55)	(40)	37.5
Share of results of joint venture entities	(82)	(55)	49.1
Profit/(Loss) before tax	870	(64)	N.M.
Income tax expense	(40)	-	100.0
Profit/(Loss) for the period	830	(64)	N.M.
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	(3)	(43)	(93.0)
Total comprehensive income for the period	827	(107)	N.M.
Profit/(Loss) attributable to:			
Owners of the Company	633	(240)	N.M.
Non-controlling interests	197	176	11.9
	830	(64)	N.M.
Total comprehensive income attributable to:			
Owners of the Company	630	(283)	N.M.
Non-controlling interests	197	176	11.9
	827	(107)	N.M.

N.M. – Not meaningful

The profit/(loss) before tax is determined after charging/(crediting) the following:

	<u>30/6/2016</u>	<u>30/6/2015</u>	<u>Increase/ (decrease)</u>
	S\$'000	S\$'000	%
Depreciation and amortisation	509	482	5.6
Operating lease expenses	1,481	1,363	8.7
Personnel expenses	6,335	4,927	28.6
Share-based compensation expense	69	-	100.0
Gain on disposal of property, plant and equipment	-	(59)	(100.0)

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

	<u>Group</u>		<u>Company</u>	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,943	2,628	35	41
Intangible assets	220	-	-	-
Investment in subsidiaries	-	-	1,922	1,642
Investment in joint ventures	2,976	2,601	3,556	2,989
Other receivables	349	370	349	369
Deferred tax assets	500	500	-	-
	<u>7,988</u>	<u>6,099</u>	<u>5,862</u>	<u>5,041</u>
Current assets				
Inventories	1,213	1,073	-	-
Trade receivables	1,879	1,364	-	-
Prepayments	300	309	92	81
Other receivables	1,408	880	351	386
Due from related companies	-	-	9,324	8,410
Cash and cash equivalents	7,268	6,465	2,195	3,280
	<u>12,068</u>	<u>10,091</u>	<u>11,962</u>	<u>12,157</u>
Total assets	<u>20,056</u>	<u>16,190</u>	<u>17,824</u>	<u>17,198</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	2,175	1,298	2	2
Other payables and accruals	3,638	2,350	333	300
Due to related companies	-	-	4,802	3,947
Obligations under finance leases	489	64	-	-
Loans and borrowings	1,085	1,008	1,018	1,008
Income tax payable	44	7	-	-
	<u>7,431</u>	<u>4,727</u>	<u>6,155</u>	<u>5,257</u>
Net current assets	<u>4,637</u>	<u>5,364</u>	<u>5,807</u>	<u>6,900</u>
Non-current liabilities				
Obligations under finance leases	479	44	-	-
Loans and borrowings	-	261	-	261
Other accruals	212	191	15	15
Deferred tax liabilities	5	5	-	-
	<u>696</u>	<u>501</u>	<u>15</u>	<u>276</u>
Total liabilities	<u>8,127</u>	<u>5,228</u>	<u>6,170</u>	<u>5,533</u>
Net assets	<u>11,929</u>	<u>10,962</u>	<u>11,654</u>	<u>11,665</u>
<u>Equity attributable to owners of the Company</u>				
Share capital	18,705	18,705	18,705	18,705
Share option reserve	258	189	258	189
Foreign currency translation reserve	(34)	(31)	-	-
Retained earnings	<u>(7,919)</u>	<u>(8,552)</u>	<u>(7,309)</u>	<u>(7,229)</u>
	<u>11,010</u>	<u>10,311</u>	<u>11,654</u>	<u>11,665</u>
Non-controlling interests	919	651	-	-
Total equity	<u>11,929</u>	<u>10,962</u>	<u>11,654</u>	<u>11,665</u>
Total equity and liabilities	<u>20,056</u>	<u>16,190</u>	<u>17,824</u>	<u>17,198</u>

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

Amount repayable in one year or less, or on demand

At 30/6/2016		At 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
489	1,085	64	1,008

Amount repayable after one year

At 30/6/2016		At 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
479	-	44	261

Details of any collateral

Obligations under finance leases

Obligations under finance leases amounting to S\$968,000 (31/12/2015: S\$108,000) are secured by the Group's medical equipment with carrying amount of approximately S\$1,534,000 (31/12/2015: S\$159,000).

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

	30/6/2016 S\$'000	30/6/2015 S\$'000
Profit/(Loss) before tax	870	(64)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	509	482
Interest income	(6)	(33)
Interest expense	55	40
Gain on disposal of property, plant and equipment	-	(59)
Share-based compensation expense	69	-
Share of results of joint venture entities	82	55
Total adjustments	709	485
Operating profit before working capital change	1,579	421
<u>Change in working capital</u>		
Decrease/(increase) in:		
Inventories	(140)	98
Trade and other receivables	(844)	(521)
Prepayments	34	(98)
Increase/(decrease) in:		
Trade payables	750	(216)
Other payables and accruals	986	(138)
Total change in working capital	786	(875)
Cash flow generated from/(used in) operations	2,365	(454)
Interest received	6	33
Interest paid	(55)	(40)
Income taxes paid	(3)	(35)
Net cash flows generated from/(used in) operating activities	2,313	(496)
Cash flows from investing activities		
Purchase of property, plant and equipment	(332)	(933)
Net cash outflow on acquisition of a subsidiary	(281)	-
Investment in joint venture entities	(567)	(1,121)
Net cash flows used in investing activities	(1,180)	(2,054)
Cash flows from financing activities		
Proceeds from issuance of shares	-	3,839
Share issuance expenses	-	(374)
Proceeds from loan from joint venture entity	172	-
Repayment of loans and borrowings	(264)	(276)
Repayment under finance leases	(238)	(39)
Deposit pledged for bank facility	-	(1,702)
Net cash flows (used in)/generated from financing activities	(330)	1,448
Net increase/(decrease) in cash and cash equivalents	803	(1,102)
Cash and cash equivalents at the beginning of financial year	6,440	7,266
Cash and cash equivalents at the end of financial year	7,243	6,164

For the purpose of the consolidated cash flow statement, the cash and cash equivalents comprise the following:

	30/6/2016	30/6/2015
	S\$'000	S\$'000
Cash and cash equivalents as stated in the consolidated balance sheet	7,268	7,866
Less: Deposit pledged for bank facility	<u>(25)</u>	<u>(1,702)</u>
Cash and cash equivalents as stated in the consolidated statement of cash flow	<u>7,243</u>	<u>6,164</u>

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

GROUP

At 1 January 2016

Profit for the period
Foreign currency translation differences
Total comprehensive income for the period

Share-based compensation expense
Acquisition of a subsidiary

At 30 June 2016

At 1 January 2015

(Loss)/Profit for the period
Foreign currency translation differences
Total comprehensive income for the period

Issue of shares
Share issuance expenses
Dividends on ordinary shares

At 30 June 2015

Attributable to owners of the Company						
Share capital	Share option reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
18,705	189	(31)	(8,552)	10,311	651	10,962
-	-	-	633	633	197	830
-	-	(3)	-	(3)	-	(3)
-	-	(3)	633	630	197	827
-	69	-	-	69	-	69
-	-	-	-	-	71	71
18,705	258	(34)	(7,919)	11,010	919	11,929
15,240	72	-	(8,404)	6,908	453	7,361
-	-	-	(240)	(240)	176	(64)
-	-	(43)	-	(43)	-	(43)
-	-	(43)	(240)	(283)	176	(107)
3,839	-	-	-	3,839	-	3,839
(374)	-	-	-	(374)	-	(374)
-	-	-	-	-	(150)	(150)
18,705	72	(43)	(8,644)	10,090	479	10,569

Company**At 1 January 2016**

Total comprehensive income for the period

Share-based compensation expense

At 30 June 2016**At 1 January 2015**

Total comprehensive income for the period

Issue of shares

Share issuance expenses

At 30 June 2015

Share capital	Share option reserve	Retained earnings	Total equity
S\$'000	S\$'000	S\$'000	S\$'000
18,705	189	(7,229)	11,665
-	-	(80)	(80)
-	69	-	69
18,705	258	(7,309)	11,654
15,240	72	(7,335)	7,977
-	-	1,080	1,080
3,839	-	-	3,839
(374)	-	-	(374)
18,705	72	(6,255)	12,522

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

Share capital

	2016		2015	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At 1 January	276,029	18,705	250,935	15,240
Issued for Rights Issue (note 1)	-	-	25,094	3,839
Share issuance expense	-	-	-	(374)
At 30 June	276,029	18,705	276,029	18,705

There were no changes in the Company's share capital since the end of the previous period reported on.

Note 1

The Company had on 9 December 2014 lodged an Offer Information Statement with Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore, for the renounceable non-underwritten rights issue of up to 25,093,500 new ordinary shares in the issued share capital of the Company, at an issue price of S\$0.153 for each rights share, on the basis of one (1) rights share for every ten (10) existing ordinary shares in the issued share capital of the Company held by entitled shareholders as at the books closure date (the "Rights Issue"). Following the allotment and issuance of the rights shares pursuant to the Rights Issue on 13 January 2015, the Company received net proceeds of S\$3.6 million. The number of issued shares of the Company increased from 250,935,000 to 276,028,500.

Share Option

The SMG Share Option Scheme ("SSOS") was approved by the shareholders at the Extraordinary General Meeting on 30 April 2014. During the financial period from January to June 2016, no share options were granted or exercised under the SSOS. As at 30 June 2016, the number of shares that may be issued on conversion of all the outstanding share options was 5,265,000 (30/06/2015: 5,530,000).

The movement of share options of the Company during the financial period from January to June 2016 is as follows:

Date of grant of options	Exercise price per share	Options outstanding at 01/01/2016	Options granted	Options exercised	Options forfeited/expired	Options outstanding at 30/06/2016	Expiry date
12/05/2014	S\$0.173	4,050,000	-	-	-	4,050,000	11/05/2019
20/08/2014	S\$0.185	660,000	-	-	-	660,000	19/08/2019
10/07/2015	S\$0.145	555,000	-	-	-	555,000	09/07/2020
		<u>5,265,000</u>	-	-	-	<u>5,265,000</u>	

Save as disclosed above, there were no other outstanding options and convertibles as at 30 June 2016 and 30 June 2015.

There were no treasury shares held by the Company as at 30 June 2016 and 30 June 2015.

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

	As at 30/06/2016	As at 31/12/2015
Total number of issued shares (excluding treasury shares)	<u>276,028,500</u>	<u>276,028,500</u>

There were no treasury shares as at 30 June 2016 and 31 December 2015.

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

Not applicable as the Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5, the accounting policies and methods of computation have been consistently applied by the Group and the Company and are consistent with the audited financial statements for the financial year ended 31 December 2015.

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

The Group has adopted all the applicable new and revised Financial Reporting Standards ("**FRS**") and Interpretations of Financial Reporting Standards ("**INT FRS**") which became effective for the accounting periods beginning on or after 1 January 2016. The adoption of these new and revised FRS and INT FRS are currently assessed to have no material financial impact on the Group's financial statements for the current financial period reported on.

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

- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	Group	
	30/06/2016	30/06/2015
Net profit/(loss) attributable to the owners of the Company (S\$'000)	633	(240)
Earnings/(Loss) per share (cents per share)		
- Basic	0.23	(0.09)
- Diluted	0.23	(0.09)

The basic and diluted earnings per share for the financial period ended 30 June 2016 is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 276,028,500. Share options granted to the employees under the existing employee share option plan have not been included in the calculation of diluted earnings per share because they are anti-dilutive. The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares as at 30 June 2016.

The basic and diluted loss per share for the financial period ended 30 June 2015 is calculated by dividing the net loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 274,226,204. Share options granted to the employees under the existing employee share option plan have not been included in the calculation of diluted loss per share because they are anti-dilutive. The basic and diluted loss per share are the same as there were no potential dilutive ordinary shares as at 30 June 2015.

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

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share (cents)	3.99	3.74	4.22	4.23

Net asset value per ordinary share is calculated based on 276,028,500 ordinary shares outstanding as at 30 June 2016 and 31 December 2015, respectively.

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

Income statement

For the six-month financial period ended 30 June 2016 ("HY2016"), the Group's revenue increased by 33.5% from S\$14.6 million for the six-month period ended 30 June 2015 ("HY2015") to S\$19.5 million. The increase was mainly due to the increase in revenue of Health, Aesthetic and Others Business segment by S\$4.7 million, S\$0.1 million and S\$0.1 million respectively.

Gross profit increased by 45.5% from S\$4.5 million for HY2015 to S\$6.5 million for HY2016 as a result of increase in revenue. Gross profit margin increased by two percentage points from 31% in HY2015 to 33% in HY2016. This is mainly due to increase in revenue with no corresponding increase in fixed costs.

Other income decreased by 37.5% to S\$0.1 million. In HY2015, the Group recognised a gain from disposal of property, plant and equipment of S\$59,000. No such gain was recognised in HY2016.

Distribution and selling expenses increased by 22.1% from S\$0.9 million for HY2015 to S\$1.2 million for HY2016 mainly driven by increase in revenue and marketing activities.

Administrative expenses increased by 19.5% from S\$3.8 million for HY2015 to S\$4.5 million for HY2016. This is mainly due to increase in staff headcount resulting from the opening of 5 new clinics in the second half of 2015 and the acquisition of Novena Radiology Pte. Ltd. ("NRPL") on 1 April 2016.

The share of loss of joint venture entities of S\$82,000 in HY2016 is contributed by losses from its investments in PT Ciputra SMG ("PTCS") and SMG Leaders Pte. Ltd., offset by profits from its investment in Lifescan Imaging Pte. Ltd. ("LSI"). In HY2015, the Group recorded net loss of S\$55,000 from its investment in PTCS and MindChamps Medical Pte Limited, which was disposed in September 2015.

The Group has recorded income tax expense of S\$40,000 in HY2016 while there was no such tax expense in HY2015. The income tax expense relates to current tax provision on the Group's profits in HY2016.

Overall, the Group's net profit for HY2016 was approximately S\$830,000, as compared to a net loss of approximately S\$64,000 for HY2015.

Consolidated Balance Sheet

Non-current assets increased by S\$1.9 million from S\$6.1 million as at 31 December 2015 to S\$8.0 million as at 30 June 2016, mainly due to:

- (a) Increase in property, plant and equipment of S\$1.3 million as a result of new asset additions arising from the acquisition of NRPL, offset by depreciation charged for the financial period;
- (b) Increase in intangible assets of S\$0.2 million which comprises goodwill arising from the acquisition of NRPL; and
- (c) Increase in investments in joint ventures mainly arising from: (i) the subscription of additional 400,000 new shares in LSI for cash amounting to S\$0.4 million; and (ii) provision of shareholders' loan of approximately S\$0.2 million to PTCS, offset by the share of results of joint venture entities for the period.

Current assets increased by S\$2.0 million from S\$10.1 million as at 31 December 2015 to S\$12.1 million as at 30 June 2016 mainly due to increase in cash and cash equivalents by S\$0.8 million, increase in inventories by S\$0.1 million, increase in trade receivables by S\$0.5 million and increase in other receivables by S\$0.5 million.

Current liabilities increased by S\$2.7 million from S\$4.7 million as at 31 December 2015 to S\$7.4 million as at 30 June 2016, mainly due to increase in trade payables of S\$0.9 million, increase in other payables and accruals by S\$1.3 million and increase in the current portion of obligations under finance leases and loans and borrowings, which arise from the Group taking over the finance leases and loan of NRPL upon its acquisition, by S\$0.4 million and S\$0.1 million respectively.

Non-current liabilities increased by S\$0.2 million from S\$0.5 million as at 31 December 2015 to S\$0.7 million as at 30 June 2016, mainly due to increase in obligations under finance leases which arise from the taking over of the finance leases of NRPL upon its acquisition. The increase is offset by the reclassification of loans and borrowings from non-current to current during the financial period as the loan will be fully repaid within the next 12 months.

There was no movement in share capital during the financial period.

Cash Flow Statement

Net cash flows generated from operating activities of S\$2.3 million arose mainly from the operating profit before working capital changes of S\$1.6 million and the inflow of working capital of S\$0.8 million, offset by interest payment of S\$0.1 million.

Net cash flows used in investing activities of S\$1.2 million were mainly attributed to the acquisition of property, plant and equipment, acquisition of a subsidiary, NRPL, and investments in joint venture entities namely PTCS and LSI.

Net cash flows used in financing activities of S\$0.3 million were mainly from repayment of loans and borrowings and finance leases of S\$0.3 million and S\$0.2 million respectively, offset by a loan from joint venture entity of S\$0.2 million.

Cash and cash equivalents was S\$7.2 million as at 30 June 2016, compared to S\$6.4 million as at 31 December 2015.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

With a growing aging population coupled with the expected population growth, Singapore's healthcare related expenditure is expected to increase moving forward. While this provides an opportunity, the private healthcare industry will remain challenging with intense domestic and regional competition.

Given the slowdown in Singapore's economy which are driven by the global economic uncertainties, medical spending for elective medical services are also expected to soften.

Since the new management came on board in December 2013, it had embarked on a series of expansion into new medical services and establishing its networks through association and partnership with doctors while streamlining the business to improve profitability. The Group has since successfully increased the contribution of non-elective medical services under the health segment to help improve the Group's performance. Existing businesses continue to perform and grow with increasing traffic from both regional and local patients while newly created businesses are expected to contribute positively with room for expansion.

Moving ahead, the Group will continue to focus on growing its existing businesses by recruiting new medical specialists and leveraging on its networks to promote cross-selling activities. To further support the Group's growth initiatives, a new diagnostic segment has been created to focus on diagnostic imaging and cardiac Holter monitoring (Cardioscan). The Group is in the process of exploring further investment in the diagnostic imaging business which, if successfully completed, will have an impact to the Group's financial performance in the second half of 2016.

11. Dividend

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

No dividend has been declared or recommended for the current financial period.

(b) *Corresponding Period of the Immediately Preceding Financial Year*

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

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

Not applicable.

- (d) *The date the dividend is payable.*

Not applicable.

- (e) *The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined*

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the six-month financial period ended 30 June 2016.

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

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the current financial period reported on is disclosed below.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review	
	30/06/2016 S\$'000	30/06/2015 S\$'000
K S Beng Pte Ltd - Rental (Note 1)	81	81
MW Medical Holdings Pte Ltd - Rental	92	-
MW Medical Pte Ltd - Nursing services	4	-
BB Ventures Pte Ltd - Rental	21	-

Note 1: Please refer to the Company's announcement dated 19 March 2014 when the tenancy agreement was entered into.

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the six-month financial period ended 30 June 2016 presented in this announcement, to be false or misleading in any material aspect.

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

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

16. Use of proceeds from the Placement Issue and Rights Issue

Placement Issue

The net proceeds from the Placement Issue which was completed on 14 November 2014 was approximately S\$4.2 million, out of which the following amount had been utilised as at 30 June 2016:

	Actual S\$ million	Intended S\$ million
Net proceeds	4.2	4.2
Less:		
(i) Expansion of the Company's aesthetic business	(1.5)	(2.2)
(ii) Potential growth and acquisition opportunities:	(1.8)	(2.0)
Balance as at 30 June 2016	<u>0.9</u>	

The above use of proceeds is in accordance with the intended use as stated in the announcement dated 4 November 2014.

Rights Issue

The net proceeds from the Rights Issue (refer to note 1(d)(ii)), which was completed on 13 January 2015 was approximately S\$3.6 million, out of which the following amount had been utilised as at 30 June 2016:

	Actual S\$ million	Intended S\$ million
Net proceeds	3.6	3.6
Less:		
(i) Strengthen the Company's working capital & capital base	(0.3)	(0.8)
(ii) Growing existing medical specialist business	(1.3)	(2.0)
(iii) Potential growth and acquisition	(0.8)	(0.8)
Balance as at 30 June 2016	<u>1.2</u>	

The above use of the net proceeds is in accordance with the intended use as stated in the change of use and re-allocation of the proceeds from the Rights Issue as stated in the announcement dated 15 March 2016.

BY ORDER OF THE BOARD

Dr Beng Teck Liang
Chief Executive Officer
3 August 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

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

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