



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

## **FULL 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 YEAR ENDED 31 DECEMBER 2015**

	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>Increase/ (decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	30,967	26,514	16.8
Cost of sales	(21,302)	(17,705)	20.3
<b>Gross profit</b>	9,665	8,809	9.7
<b>Other items of income</b>			
Financial income	42	15	180.0
Other income	391	546	(28.4)
<b>Other items of expense</b>			
Distribution and selling expenses	(1,969)	(1,660)	18.6
Administrative expenses	(7,647)	(7,543)	1.4
Financial expenses	(75)	(62)	21.0
Share of results of joint venture entities	(364)	7	N.M.
<b>Profit before tax</b>	43	112	(61.6)
Income tax credit	157	360	(56.4)
<b>Profit for the year</b>	200	472	(57.6)
<b>Other comprehensive income</b>			
Foreign currency translation	(31)	-	100.0
<b>Total comprehensive income for the year</b>	169	472	(64.2)
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company	(148)	79	(287.3)
Non-controlling interests	348	393	(11.5)
	200	472	(57.6)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(179)	79	(326.6)
Non-controlling interests	348	393	(11.5)
	169	472	(64.2)

*N.M. – Not meaningful*

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

	<b><u>31/12/2015</u></b>	<b><u>31/12/2014</u></b>	<b><u>Increase/ (decrease)</u></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Depreciation and amortisation	1,059	1,316	(19.5)
Operating lease expenses	2,714	2,489	9.0
Personnel expenses	10,760	8,797	22.3
Gain on disposal of property, plant and equipment	(79)	(258)	(69.4)
Gain on disposal of joint venture	-	(99)	(100.0)
Impairment loss on receivables	34	19	78.9
Share-based compensation expense	117	72	62.5
Over provision of income tax in respect of prior years	(65)	(13)	400.0

**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>	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,628	2,237	41	47
Investment in subsidiaries	-	-	1,642	2,782
Investment in joint ventures	2,601	509	2,989	567
Other receivables	370	336	369	336
Deferred tax assets	500	427	-	-
	6,099	3,509	5,041	3,732
<b>Current assets</b>				
Inventories	1,073	1,001	-	-
Trade receivables	1,364	826	-	-
Prepayments	309	254	81	173
Other receivables	880	771	386	393
Due from related companies	-	-	8,410	4,309
Cash and cash equivalents	6,465	7,266	3,280	4,740
	10,091	10,118	12,157	9,615
<b>Total assets</b>	<b>16,190</b>	<b>13,627</b>	<b>17,198</b>	<b>13,347</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	1,298	1,794	2	2
Other payables and accruals	2,350	2,210	300	372
Due to related companies	-	-	3,947	3,174
Obligations under finance leases	64	85	-	-
Loans and borrowings	1,008	1,807	1,008	1,807
Income tax payable	7	67	-	-
	4,727	5,963	5,257	5,355
<b>Net current assets</b>	<b>5,364</b>	<b>4,155</b>	<b>6,900</b>	<b>4,260</b>
<b>Non-current liabilities</b>				
Obligations under finance leases	44	102	-	-
Loans and borrowings	261	-	261	-
Provisions	191	170	15	15
Deferred tax liabilities	5	31	-	-
	501	303	276	15
<b>Total liabilities</b>	<b>5,228</b>	<b>6,266</b>	<b>5,533</b>	<b>5,370</b>
<b>Net assets</b>	<b>10,962</b>	<b>7,361</b>	<b>11,665</b>	<b>7,977</b>
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	18,705	15,240	18,705	15,240
Share option reserve	189	72	189	72
Foreign currency translation reserve	(31)	-	-	-
Retained earnings	(8,552)	(8,404)	(7,229)	(7,335)
	10,311	6,908	11,665	7,977
Non-controlling interests	651	453	-	-
<b>Total equity</b>	<b>10,962</b>	<b>7,361</b>	<b>11,665</b>	<b>7,977</b>
<b>Total equity and liabilities</b>	<b>16,190</b>	<b>13,627</b>	<b>17,198</b>	<b>13,347</b>

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

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

At 31/12/2015		At 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
64	1,008	85	1,807

**Amount repayable after one year**

At 31/12/2015		At 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
44	261	102	-

**Details of any collateral**

Obligations under finance leases

Obligations under finance leases amounting to S\$108,000 (31/12/2014: S\$187,000) are secured by the Group's medical equipment with carrying amount of approximately S\$159,000 (31/12/2014: S\$207,000).

**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**

	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before tax	43	112
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,059	1,316
Share-based compensation expense	117	72
Impairment loss of trade and other receivables	34	19
Interest income	(42)	(15)
Interest expense	75	62
Gain on disposal of property, plant and equipment	(79)	(258)
Gain on disposal of joint venture entity	-	(99)
Share of results of joint venture entities	364	(7)
Total adjustments	1,528	1,090
Operating profit before working capital change	1,571	1,202
<u>Change in working capital</u>		
Decrease/(increase) in:		
Inventories	(72)	(243)
Trade and other receivables	(715)	(412)
Prepayments	(55)	(10)
Increase/(decrease) in:		
Trade payables	(496)	321
Other payables and accruals	138	(373)
Total change in working capital	(1,200)	(717)
<b>Cash flow generated from operations</b>	<b>371</b>	<b>485</b>
Interest received	42	15
Interest paid	(75)	(62)
Income taxes paid	-	(55)
<b>Net cash flows generated from operating activities</b>	<b>338</b>	<b>383</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,476)	(1,185)
Proceeds from disposal of property, plant and equipment	61	1,094
Investment in joint venture entities	(2,522)	(567)
Proceeds from disposal of joint venture entity	100	450
<b>Net cash flows used in investing activities</b>	<b>(3,837)</b>	<b>(208)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interests	(150)	(346)
Acquisition of non-controlling interests	-	(960)
Proceeds from issuance of shares	3,839	12,020
Share issuance expenses	(374)	(274)
Proceeds from loans and borrowings	-	2,000
Redemption of redeemable convertible preference shares ("RCPS")	-	(7,495)
Repayment of loans and borrowings	(538)	(1,782)
Repayment under finance leases	(79)	(146)
Deposit pledged for bank facility	(25)	-
<b>Net cash flows generated from financing activities</b>	<b>2,673</b>	<b>3,017</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(826)</b>	<b>3,192</b>
Cash and cash equivalents at the beginning of financial year	7,266	4,074
<b>Cash and cash equivalents at the end of financial year</b>	<b>6,440</b>	<b>7,266</b>

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

	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents as stated in the consolidated balance sheet	6,465	7,266
Less: Deposit pledged for bank facility	(25)	-
Cash and cash equivalents as stated in the consolidated statement of cash flow	<u>6,440</u>	<u>7,266</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 2015**

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

Issue of shares  
Share issuance expenses  
Share-based compensation expense  
Dividends on ordinary shares

**At 31 December 2015**

**At 1 January 2014**

Profit for the year  
Total comprehensive income for the year

Issue of shares  
Share issuance expenses  
Share-based compensation expense  
Dividends on ordinary shares  
De-recognition of equity component of RCPS  
Acquisition of interests in subsidiaries to non-controlling interests

**At 31 December 2014**

Attributable to owners of the Company							
Share capital	Equity component of RCPS	Share option reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
S\$'000	\$'000	\$'000	\$'000	\$'000	S\$'000	S\$'000	S\$'000
15,240	-	72	-	(8,404)	6,908	453	7,361
-	-	-	-	(148)	(148)	348	200
-	-	-	(31)	-	(31)	-	(31)
-	-	-	(31)	(148)	(179)	348	169
3,839	-	-	-	-	3,839	-	3,839
(374)	-	-	-	-	(374)	-	(374)
-	-	117	-	-	117	-	117
-	-	-	-	-	-	(150)	(150)
18,705	-	189	(31)	(8,552)	10,311	651	10,962
2,594	371	-	-	(7,186)	(4,221)	1,049	(3,172)
-	-	-	-	79	79	393	472
-	-	-	-	79	79	393	472
12,020	-	-	-	-	12,020	-	12,020
(274)	-	-	-	-	(274)	-	(274)
-	-	72	-	-	72	-	72
-	-	-	-	-	-	(346)	(346)
-	(371)	-	-	-	(371)	-	(371)
900	-	-	-	(1,297)	(397)	(643)	(1,040)
15,240	-	72	-	(8,404)	6,908	453	7,361

**Company**

**At 1 January 2015**

Total comprehensive income for the year

Issue of shares

Share issuance expenses

Share-based compensation expense

**At 31 December 2015**

**At 1 January 2014**

Total comprehensive income for the year

Issue of shares

Share issuance expenses

Share-based compensation expense

De-recognition of equity component of RCPS

Acquisition of interests in subsidiaries from non-controlling interests

**At 31 December 2014**

Share capital	Equity component of RCPS	Share option reserve	Retained earnings	Total equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
15,240	-	72	(7,335)	7,977
-	-	-	106	106
3,839	-	-	-	3,839
(374)	-	-	-	(374)
-	-	117	-	117
18,705	-	189	(7,229)	11,665
2,594	371	-	(5,302)	(2,337)
-	-	-	(2,033)	(2,033)
12,020	-	-	-	12,020
(274)	-	-	-	(274)
-	-	72	-	72
-	(371)	-	-	(371)
900	-	-	-	900
15,240	-	72	(7,335)	7,977



**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

	2015		2014	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<u>Issued and fully paid ordinary shares</u>				
At 1 January	250,935	15,240	145,736	2,594
Issued for 2015 Rights Issue (note 1)	25,094	3,839	-	-
Issued for 2014 Rights Issue (note 2)	-	-	72,868	7,651
Share issuance expense (note 3)	-	(374)	-	(274)
Issued for acquisition of non-controlling interest in a subsidiary (note 4)	-	-	5,360	900
Issued for Placement (note 5)	-	-	26,971	4,369
At 31 December	276,029	18,705	250,935	15,240

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 issue 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 "**2015 Rights Issue**"). Following the allotment and issuance of the right shares pursuant to the 2015 Rights Issue on 13 January 2015, the Company received a net proceed of S\$3.6 million. The number of issue shares of the Company increased from 250,935,000 to 276,028,500.

Note 2

The Company had on 13 January 2014 lodged an Offer Information Statement with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore, for the renounceable non-underwritten rights issue of up to 72,868,000 new ordinary shares in the issue share capital of the Company, at an issue price of S\$0.105 for each rights share, on the basis of one (1) rights share for every two (2) existing ordinary shares in the issued share capital of the Company held by entitled shareholders as at the books closure date (the "**2014 Rights Issue**"). Following the allotment and issuance of the right shares pursuant to the 2014 Rights Issue on 5 February 2014, the Company received a net proceed of S\$7.4 million. The number of issue shares of the Company increased from 145,736,000 to 218,604,000.

Note 3

The share issuance expenses recognised in 2015 were incurred for the 2015 Rights Issue and the Placement Issue (refer to Note 5) while those of 2014 were incurred for the 2014 Rights Issue.

Note 4

The Company had on 19 May 2014 issued 5,360,000 shares to Dr Wong Seng Weng pursuant to the sale and purchase agreement dated 7 May 2014 between the Company and Dr Wong Seng Weng to acquire additional 20% equity interest in Cancer Center Pte Ltd. Upon the completion of the acquisition, Cancer Center Pte Ltd became an 80% owned subsidiary of the Company.

#### Note 5

The Company had on 4 November 2014 entered into placement agreements with subscribers to issue an aggregate of 26,971,000 new ordinary shares (the “**Placement Shares**”) in the issue share capital of the Company at an issue price of S\$0.162 per Placement Share (the “**Placement Issue**”). Following the issue and allotment of the Placement Shares on 14 November 2014, the Company received proceeds of S\$4.4 million. The number of issue shares of the Company increased from 223,964,000 to 250,935,000.

#### 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 year, the Company granted a total of 555,000 (2014: 5,530,000) share options to employees under the SSOS and released the announcement via SGXNET on 10 July 2015. As at 31 December 2015, the number of shares that may be issued on conversion of all the outstanding share options was 5,265,000 (31/12/2014: 5,530,000).

The movement of share options of the Company during the financial year is as follows:

Date of grant of options	Exercise price per share	Options outstanding at 01/01/2015	Options granted	Options exercised	Options forfeited/expired	Options outstanding at 31/12/2015	Expiry date
12/05/2014	S\$0.173	4,750,000	-	-	700,000	4,050,000	11/05/2019
20/08/2014	S\$0.185	780,000	-	-	120,000	660,000	19/08/2019
10/07/2015	S\$0.145	-	555,000	-	-	555,000	09/07/2020
		5,530,000	555,000	-	820,000	5,265,000	

Save as disclosed above, there were no other outstanding options and convertibles as at 31 December 2015 and 31 December 2014.

**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.**

	<u>As at 31/12/2015</u>	<u>As at 31/12/2014</u>
Total number of issued shares (excluding treasury shares)	276,028,500	250,935,000

As at 29 February 2016, the number of issued shares (excluding treasury shares) is 276,028,500.

**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. There were no treasury shares during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

**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 2015. 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).

	<b>Group</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>
Net (loss)/profit attributable to the owners of the Company (\$'000)	(148)	79
(Loss)/Earnings per share (cents per share)		
- Basic	(0.05)	0.04
- Diluted	(0.05)	0.03

The basic and diluted loss per share for the financial year ended 31 December 2015 is calculated by dividing the net loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 275,134,759. 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 31 December 2015.

The basic earnings per share for the financial year 31 December 2014 is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 220,108,491. The diluted earnings per share for the financial year 31 December 2014 is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 224,233,099. The weighted average number of ordinary shares for diluted earnings per share computation has taken into consideration the share options granted to the RCPS holder prior to the redemption. 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.

**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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset value per ordinary share (cents)	3.74	2.93	4.23	3.18

Net asset value per ordinary share is calculated based on 276,028,500 and 250,935,000 ordinary shares outstanding as at 31 December 2015 and 31 December 2014, 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 financial year ended 31 December 2015 ("FY2015"), the Group's revenue increased by 16.8% from S\$26.5 million for the financial year ended 31 December 2014 ("FY2014") to S\$31.0 million. The increase was mainly due to the increase in revenue of both Health and Aesthetic Business segment by S\$2.6 million and S\$1.8 million respectively.

Gross profit increased by 9.7% from S\$8.8 million for FY2014 to S\$9.7 million for FY2015 as a result of increase in revenue. Gross profit margin dropped by two percentage points from 33% in FY2014 to 31% in FY2015. This is mainly due to increase in doctors' headcount as a result of the opening of 5 new clinics in FY2015. These new clinics are:

- (i) The family medicine clinic at The Arcade which commenced operations in March 2015;
- (ii) The dermatology clinic at The Paragon which commenced operations in April 2015;
- (iii) The otolaryngology clinic at The Paragon which commenced operations in May 2015;
- (iv) The family and aesthetics medicine clinic at China Square which commenced operations in July 2015; and
- (v) The wellness and gynaecology clinic at The Paragon which commenced operations in October 2015.

Other income decreased by 28.4% to S\$0.4 million due mainly to lower gain from disposal of property, plant and equipment and no gain on disposal of a joint venture entity in FY2015.

Distribution and selling expenses increased by 18.6% from S\$1.7 million for FY2014 to S\$2.0 million for FY2015 due to increase in marketing expenses to promote existing/new services especially in the Aesthetic Business segment.

Administrative expenses increased by 1.4% from S\$7.5 million for FY2014 to S\$7.6 million for FY2015. This is mainly due to increase in staff headcount with the opening of 5 new clinics in FY2015 offset by a lower depreciation charged for the financial year.

The share of loss of joint venture entities of approximately S\$364,000 in FY2015 arises from its investments in PT Ciputra SMG, SMG Leaders Pte. Ltd. and Lifescan Imaging Pte. Ltd. as the respective clinics set up under these joint venture entities were still in their ramping up period. In FY2014, the Group recorded net profit of S\$7,000 from its investment in PT Ciputra SMG.

The Group had income tax credit of S\$0.2 million in FY2015 as compared to S\$0.4 million in FY2014. The income tax credit for the year is mainly due to reversal of overprovision of prior years' income tax and recognition of deferred tax assets relating to unutilised capital allowance.

Excluding the share of results of joint venture entities, the Group made a profit before tax of S\$0.4 million in FY2015 compared to S\$0.1 million in FY2014. After recognising the Group's share of results of joint venture entities, the profit before tax of the Group for FY2015 and FY2014 was S\$43,000 and S\$112,000 respectively. Overall, the Group's net profit for FY2015 was approximately S\$0.2 million, as compared to a net profit of approximately S\$0.5 million for FY2014.

#### Consolidated Balance Sheet

Non-current assets increased by S\$2.6 million from S\$3.5 million as at 31 December 2014 to S\$6.1 million as at 31 December 2015, mainly due to increase in property, plant and equipment of S\$0.4 million (as a result of new assets additions offset by depreciation charged for the financial year) and increase in investments in joint ventures mainly arising from: (i) the subscription of additional 4 million new shares at Rp 1,000 each in a joint venture entity, PT Ciputra SMG, amounting to S\$0.4 million (equivalent to Rp 4 billion); (ii) the setting up of a new joint venture entity, SMG Leaders Pte. Ltd., amounting to S\$0.7 million; and (iii) the setting up of a new joint venture entity, Lifescan Imaging Pte. Ltd., amounting to S\$1.4 million, in 2015, offset by the net loss of S\$0.4 million recorded for these investments, and increase in deferred tax assets of S\$0.1 million.

Current assets as at both 31 December 2015 and 31 December 2014 were approximately S\$10.1 million. While cash and cash equivalents had decreased by S\$0.8 million, the effect of the decrease is negated by increase in trade receivables, other receivables and inventories of S\$0.6 million, S\$0.1 million and S\$0.1 million respectively.

Current liabilities decreased by S\$1.3 million from S\$6.0 million as at 31 December 2014 to S\$4.7 million as at 31 December 2015, mainly due to decrease in trade payables of S\$0.5 million and decrease in the current portion of loans and borrowings of S\$0.8 million arising from repayment of bank loans and the reclassification of a portion of the loans and borrowings from current to non-current during the financial year. The decrease is offset by increase in other payables and accruals of S\$0.1 million.

Non-current liabilities increased by S\$0.2 million from S\$0.3 million as at 31 December 2014 to S\$0.5 million as at 31 December 2015, mainly due to the reclassification of a portion of the loans and borrowings from current to non-current during the financial year.

Please refer to paragraph 1(d)(ii) for details of increase in share capital.

#### Cash Flow Statement

Net cash flows generated from operating activities of S\$0.3 million arised mainly from the operating profit before working capital changes of S\$1.5 million offset by the outflow of working capital of S\$1.2 million.

Net cash flows used in investing activities of S\$3.8 million were mainly attributed to the acquisition of property, plant and equipment and investments in joint venture entities, offset by the proceeds from disposals of property, plant and equipment and the Company's 49% equity interest in a joint venture entity, MindChamps Medical Pte Limited.

Net cash flows generated from financing activities of S\$2.7 million were mainly from the net proceeds from the issuance of shares through the 2015 Rights Issue of S\$3.4 million, offset by repayment of loans and borrowings of S\$0.5 million and payment of dividends to non-controlling interests of S\$0.2 million.

Cash and cash equivalents was S\$6.4 million as at 31 December 2015, compared to S\$7.3 million as at 31 December 2014.

#### **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.**

The private healthcare industry in Singapore remains competitive and the industry had seen a slowdown in medical tourism due to the strong Singapore dollar and weak currency exchange in countries such as Indonesia, Malaysia and Russia. As part of the Group's initiatives to attain a stronger market position and enhance its services, new services in family medicine, dermatology and otolaryngology were introduced in 2015 and the Group also ventured into diagnostic imaging services, through its joint venture entity, Lifescan Imaging Pte. Ltd., during the year.

In 2016, the Group will focus on the following:

- 1) Continue to drive revenue growth of its existing Health and Aesthetics Business. Efforts will be put into improving the performance of the new clinics that were set up in 2015 through branding and marketing efforts with the aim of increasing patient load;
- 2) For the newly set up clinics of the joint venture entities, the Group will work with its joint venture partners to grow the business and to achieve profitability in the shortest time; and
- 3) Continue to explore new and relevant medical technologies that are synergistic to our existing business.

Having ventured into the diagnostic imaging business, the Group will continue to grow this business when the opportunities arise. The Group's diagnostic business is set to expand further in 2016 with the setting up of a new joint venture entity with Cardioscan Pty Ltd which provides cardiac monitoring and reporting services in the region.

**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 FY2015.

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 in FY2015 has been disclosed below.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review	
	31/12/2015 S\$'000	31/12/2014 S\$'000
K S Beng Pte Ltd - Rental (Note 1)	163	163
MW Medical Holdings Pte Ltd - Rental	62	-
MW Medical Pte Ltd - Nursing services	2	-
International Cancer Specialists Pte Ltd - Medical services	254	-

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).**

Not applicable as it is not required for announcement on full year results.

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 2015 Rights Issue**

Placement Issue

The net proceeds from the Placement Issue (refer to note 1(d)(ii)), which was completed on 14 November 2014 was approximately S\$4.2 million, out of which the following amount had been utilised as at 29 February 2016:

	Actual S\$ million	Intended S\$ million
Net proceeds	4.2	4.2
Less:		
(i) Expansion of the Company's aesthetic business	(1.3)	(2.2)
(ii) Potential growth and acquisition opportunities:	(1.8)	(2.0)
Balance as at 29 February 2016	1.1	

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

### 2015 Rights Issue

The net proceeds from the Second 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 29 February 2016:

	<b><u>Actual</u></b> <b><u>S\$ million</u></b>	<b><u>Intended</u></b> <b><u>S\$ million</u></b>
Net proceeds	3.6	3.6
Less:		
(i) Strengthen the Company's working capital & capital base	(0.3)	(1.6)
(ii) Growing existing medical specialist business	(1.3)	(2.0)
Balance as at 29 February 2016	<u>2.0</u>	

The above use of proceeds is in accordance with the intended use as stated in the Offer Information Statement dated 9 December 2014.



## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

<b><u>2015</u></b>	<b><u>Health</u></b>	<b><u>Aesthetics</u></b>	<b><u>Others</u></b>	<b><u>Adjustment and Elimination</u></b>	<b><u>Total</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Revenue:</b>					
External customers	22,151	8,506	310	-	30,967
Inter-segment	366	49	334	(749)	-
Total revenue	22,517	8,555	644	(749)	30,967
<b>Segment results:</b>					
Segment gross profit	6,042	3,517	439	(333)	9,665
Depreciation and amortisation	(500)	(501)	(58)	-	(1,059)
Share based compensation	-	-	(117)	-	(117)
Impairment loss on receivables	(30)	(4)	-	-	(34)
Financial income	-	-	42	-	42
Financial expenses	-	(14)	(61)	-	(75)
Share of result of joint venture entities	82	(446)	-	-	(364)
Unallocated expenses, net					(8,015)
Profit before tax					43
<b><u>2014</u></b>					
<b>Revenue:</b>					
External customers	19,593	6,685	236	-	26,514
Inter-segment	79	53	350	(482)	-
Total revenue	19,672	6,738	586	(482)	26,514
<b>Segment results:</b>					
Segment gross profit/(loss)	6,058	2,728	373	(350)	8,809
Depreciation and amortisation	(486)	(742)	(88)	-	(1,316)
Share based compensation	-	-	(72)	-	(72)
Impairment loss on receivables	(17)	(1)	(1)	-	(19)
Financial income	-	-	15	-	15
Financial expenses	-	(1)	(61)	-	(62)
Share of result of joint venture entity	-	7	-	-	7
Unallocated expenses, net					(7,250)
Profit before tax					112

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

Refer to note 8 for further details.

**19. A breakdown of sales**

	Group			
	FY2015	FY2014	Increase/(decrease)	
	S\$'000	S\$'000	S\$'000	%
Sales reported for first half year	14,586	13,194	1,392	11
Operating (loss)/profit after tax before deducting minority interest for first half year	(64)	369	(433)	(117)
Sales reported for second half year	16,381	13,320	3,061	23
Operating profit after tax before deducting minority interest for second half year	264	103	161	156

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

No dividends were declared for FY2014 and FY2015.

**21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).**

The information pursuant to Rule 704 (10) on persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company is as follows:

Name	Remuneration/ Professional fees (S\$'000)	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dr Jimmy Beng Keng Siew	317 <sup>(a)</sup>	Father of Dr Beng Teck Liang (Executive Director and Chief Executive Officer)	Medical Director of the urology practice  Responsible for performing clinical duties associated with the urology practice and attending to patients since 2014.	Nil

*Note:*

(a) The professional fee paid is on a fee sharing basis as provided in the agreement between the Group and Dr Jimmy Beng.

**BY ORDER OF THE BOARD**

**Dr Beng Teck Liang**  
**Chief Executive Officer**  
**29 February 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, including the correctness of any the figures used, statements or opinions made.*

*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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