

**Second Quarter And Half Year Financial Statements Announcement For The Period Ended 30 September 2014**  
**(In accordance with International Financial Reporting Standards)**

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

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Income Statement for the second quarter and half year ended 30 September 2014**

		The Group					
		2nd Quarter Ended			Half Year Ended		
Note		30-Sep-14	30-Sep-13	Change	30-Sep-14	30-Sep-13	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
	<b>Revenue</b>						
	Product revenue	68,864	72,222	(5)	139,332	137,269	2
	Licensing and royalties revenue	5,922	10,795	(45)	15,664	22,413	(30)
	<b>Total revenue</b>	<b>74,786</b>	<b>83,017</b>	(10)	<b>154,996</b>	<b>159,682</b>	(3)
	<b>Total cost of sales</b>	(20,886)	(19,197)	9	(41,366)	(35,224)	17
	<b>Gross profit</b>	<b>53,900</b>	<b>63,820</b>	(16)	<b>113,630</b>	<b>124,458</b>	(9)
	Other operating income	123	34	262	200	25	700
	Sales and marketing expenses	(25,959)	(24,053)	8	(52,883)	(50,634)	4
	General and administrative expenses	(9,451)	(12,227)	(23)	(20,104)	(21,536)	(7)
	Research and development expenses	(8,259)	(7,244)	14	(15,309)	(13,323)	15
	Other operating expenses	(260)	(773)	(66)	(598)	(695)	(14)
		(43,807)	(44,263)	(1)	(88,694)	(86,163)	3
	<b>Profit from operations</b>	<b>10,093</b>	<b>19,557</b>	(48)	<b>24,936</b>	<b>38,295</b>	(35)
	Financial income	1,815	1,702	7	3,546	3,289	8
	Financial expenses	(3,454)	(3,442)	0	(6,866)	(6,848)	0
	<b>Profit before exceptional and non-operating items</b>	<b>8,454</b>	<b>17,817</b>	(53)	<b>21,616</b>	<b>34,736</b>	(38)
	Amortisation of customer lists and patents	(4,563)	(4,584)	(0)	(9,199)	(8,957)	3
	Exceptional items						
	- restructuring of operations	510	(251)	NM	510	(251)	NM
	<b>Profit before tax</b>	<b>4,401</b>	<b>12,982</b>	(66)	<b>12,927</b>	<b>25,528</b>	(49)
	Income tax	522	(1,730)	NM	1,867	(2,174)	NM
	<b>Net profit for the period</b>	<b>4,923</b>	<b>11,252</b>	(56)	<b>14,794</b>	<b>23,354</b>	(37)
	<b>Attributable to:</b>						
	Equity holders of the Company	4,923	11,252		14,794	23,354	
	<b>Earnings per share (US cent)</b>						
	<b>Before exceptional items</b>						
	Basic	0.26	0.67		0.84	1.38	
	Diluted	0.26	0.67		0.84	1.36	
	<b>After exceptional items</b>						
	Basic	0.29	0.66		0.87	1.36	
	Diluted	0.29	0.65		0.86	1.35	

NM - Not meaningful

(see footnotes)

## Consolidated Statement of Comprehensive Income

	The Group					
	2nd Quarter Ended			Half Year Ended		
	30-Sep-14	30-Sep-13	Change	30-Sep-14	30-Sep-13	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Net profit for the period</b>	<b>4,923</b>	<b>11,252</b>	(56)	<b>14,794</b>	<b>23,354</b>	(37)
<b>Other comprehensive income:</b>						
Exchange differences on translation of financial statements of foreign subsidiaries	(23,912)	7,971	NM	(2,058)	20,416	NM
<b>Total comprehensive income</b>	<b>(18,989)</b>	<b>19,223</b>		<b>12,736</b>	<b>43,770</b>	
<b>Attributable to:</b>						
Equity holders of the Company	(18,989)	19,223		12,736	43,770	
Footnotes						
<sup>1</sup> Weighted average ordinary shares issued ('000)	1,698,679	1,711,099		1,698,060	1,715,556	
<sup>2</sup> Weighted average ordinary shares and equivalents outstanding ('000)	1,709,701	1,724,257		1,710,438	1,731,310	

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares adjusted for the effects of dilutive options.

## Notes to the Income Statements

### A Product revenue

	The Group			
	2nd Quarter Ended		Half Year Ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	US\$'000	US\$'000	US\$'000	US\$'000
Critical care products	3,655	3,425	8,031	6,856
Interventional cardiology products	61,303	66,387	122,998	127,297
Cardiac diagnostic	3,906	2,410	8,303	3,116
	68,864	72,222	139,332	137,269

B Sales and marketing expenses increased 8% to US\$26.0 million compared to US\$24.1 million for the quarter ended 30 September 2013, due to the increase in registry trial expenses, marketing, exhibition related expenses and payroll related costs offset by the reversal of bad debt provision.

C General and administrative expenses decreased 23% to US\$9.5 million from US\$12.2 million in the corresponding quarter of last year mainly due to decreased professional fee, repair and maintenance, lower payroll related and share-based payment expenses.

D Research and development expenses increased 14% to US\$8.3 million compared to US\$7.2 million in the quarter ended 30 September 2013, mainly due to higher clinical trial expenses in Europe, Japan and China.

### E Other operating expenses

Other operating expenses for the quarter was mainly the exchange losses from the depreciation of SGD, EUR and JPY against USD during the period.

### F Profit from operations is determined after (charging)/crediting the following:

	The Group			
	2nd Quarter Ended		Half Year Ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	(1,995)	(1,706)	(3,712)	(3,534)
Amortisation of intangible assets (excluding customer lists and patents)	(247)	(167)	(506)	(284)
Amortisation of deferred revenue	1,342	820	3,940	984
Allowance for doubtful trade debts, net	1,206	(2,239)	516	(2,805)
Write-back for doubtful non-trade debts, net	3	3	6	6
Inventories write-down, net	(1,607)	(387)	(4,078)	(842)
Provision for warranty, net	(12)	(21)	(33)	(159)
Provision for sales return	(237)	(7)	(492)	(677)
Impairment of property, plant and equipment	-	-	66	-
Intangible assets written off	(15)	-	(15)	-
Property, plant and equipment written off	(18)	(6)	(73)	(6)
Inventories written off	(122)	(307)	(317)	(763)
Gain on disposal of property, plant and equipment	-	1	1	1
Foreign exchange(losses)/gains, net	(127)	(766)	(376)	(672)

G Financial income

Interest income  
- bank balances  
- fixed deposits  
- others

<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
<u>30-Sep-14</u>	<u>30-Sep-13</u>	<u>30-Sep-14</u>	<u>30-Sep-13</u>
US\$'000	US\$'000	US\$'000	US\$'000
340	372	709	709
1,455	1,328	2,797	2,576
20	2	40	4
<u>1,815</u>	<u>1,702</u>	<u>3,546</u>	<u>3,289</u>

H Financial expenses

Interest expense  
- long term loan  
- notes payable  
- liability related to an acquisition  
- others

<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
<u>30-Sep-14</u>	<u>30-Sep-13</u>	<u>30-Sep-14</u>	<u>30-Sep-13</u>
US\$'000	US\$'000	US\$'000	US\$'000
282	198	477	448
3,160	3,107	6,356	6,244
-	62	-	62
12	75	33	94
<u>3,454</u>	<u>3,442</u>	<u>6,866</u>	<u>6,848</u>

I Income tax

Income tax for the current quarter and the half year ended 30 September 2014 includes mainly the corporate income tax expenses, offset by the reversal of prior year tax provision.

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

**Consolidated Balance Sheets as at 30 September 2014**

Note	The Group		The Company	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	A	86,093	64,653	-
Investment in subsidiaries		-	-	584,716
Other investments		26,626	26,626	26,626
Intangible assets		141,163	147,413	11,107
Deposits pledged for bank loans		1,177	1,193	-
Goodwill		688,850	688,097	52,579
Deferred tax assets		3	-	-
Long term loan to a third party		2,000	2,000	-
Long term loans to subsidiaries		-	-	54,199
				39,369
<b>Current Assets</b>				
Inventories	B	51,853	54,821	-
Trade receivables	C	73,031	72,545	-
Other receivables		3,274	3,998	-
Deposits and prepayments	D	25,228	24,496	1,255
Due from subsidiaries (non-trade)		-	-	299
Due from subsidiaries (trade)		-	-	12,737
Deposits pledged for bank loans		47,066	46,565	8,425
Cash and cash equivalents		525,872	511,788	6,950
				7,361
		726,324	714,213	-
			325,894	332,896
			346,836	348,981
<b>Less:</b>				
<b>Current Liabilities</b>				
Trade payables		5,228	6,636	-
Other payables	E	27,169	24,732	693
Accruals	F	31,332	26,519	2,052
Provisions		1,929	1,464	-
Due to subsidiaries (non-trade)		-	-	9,631
Provision for income tax		10,013	14,209	-
Deferred revenue, current portion	G	1,582	1,175	-
Finance lease liabilities, current portion		72	14	-
Borrowings	H	42,175	39,000	39,000
Contingent consideration related to an investment	I	4,126	4,126	4,126
		123,626	117,875	55,502
				58,866
<b>Net Current Assets</b>		602,698	596,338	291,334
				290,115
<b>Less:</b>				
<b>Non-Current Liabilities</b>				
Deferred tax liabilities		16,275	17,603	-
Deferred revenue, non-current portion	G	1,796	2,337	283
Finance lease liabilities, non-current portion		49	55	-
Borrowings	H	262,586	250,510	-
Other payable - non current		270	270	231,766
Pension funds		2,383	2,500	231,374
		283,359	273,275	270
		1,265,251	1,253,045	-
				232,036
				231,927
				788,525
				773,655
<b>Capital and Reserves</b>				
Share capital		117	117	117
Share premium		741,113	740,034	741,113
Treasury shares		(48,792)	(48,792)	(48,792)
Translation reserves		48,781	50,839	-
Other reserves		25,718	27,327	25,213
Accumulated profits		498,314	483,520	26,822
		1,265,251	1,253,045	70,874
				55,474
				788,525
				773,655
<b>Net assets values</b>				
Net assets per share (US cent)		74.47	73.84	46.41
				45.59
<b>Footnote</b>				
Number of shares in issue at end of period ('000)		1,699,038	1,697,002	1,699,038
				1,697,002

Net assets per share is calculated by dividing the net assets by the number of shares in issue as at the balance sheet date.

## Notes to the Balance Sheets

### A Property, plant and equipment

The increase in property, plant and equipment balance is mainly due to the new building for the company.

### B Inventories

	<u>The Group</u>	
	<u>30-Sep-14</u>	<u>31-Mar-14</u>
	US\$'000	US\$'000
Finished goods	26,938	23,228
Work-in-progress	6,148	7,147
Sub-assemblies	5,267	6,642
Raw materials	13,292	14,833
Goods-in-transit	208	2,971
Total inventories at lower of cost and net realisable value	<u>51,853</u>	<u>54,821</u>

### C Trade receivables

	<u>The Group</u>	
	<u>30-Sep-14</u>	<u>31-Mar-14</u>
	US\$'000	US\$'000
Trade receivables	80,358	81,059
Less: allowance for doubtful trade debts	<u>(7,327)</u>	<u>(8,514)</u>
	<u>73,031</u>	<u>72,545</u>

Movements in allowance for doubtful trade debts during the period were as follows:

At beginning of period/year	8,514	4,494
Allowance for the period/year, net	(516)	3,631
Written off against allowance	(66)	(23)
Translation differences	<u>(605)</u>	<u>412</u>
At end of period/year	<u>7,327</u>	<u>8,514</u>

### D Deposits and prepayments

	<u>The Group</u>		<u>The Company</u>	
	<u>30-Sep-14</u>	<u>31-Mar-14</u>	<u>30-Sep-14</u>	<u>31-Mar-14</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Deposits	986	873	-	-
Prepayments	<u>24,242</u>	<u>23,623</u>	<u>1,255</u>	<u>299</u>
	<u>25,228</u>	<u>24,496</u>	<u>1,255</u>	<u>299</u>

Increase in prepayments was due to prepaid clinical trials and trade show expenses.

### E Other payables

The increase in other payables was mainly due to liabilities relating to the construction of new manufacturing and R&D facilities in Singapore.

### F Accruals

	<u>The Group</u>	
	<u>30-Sep-14</u>	<u>31-Mar-14</u>
	US\$'000	US\$'000
Accrued operating expenses	19,728	14,846
Accrued payroll expense	11,412	10,638
Accrued purchases	<u>192</u>	<u>1,035</u>
	<u>31,332</u>	<u>26,519</u>

### G Deferred revenue

This relates to the deferred revenue from the cardiac diagnostic business which will be realised over the service contract period.

### H Loans and borrowings

	<u>The Group</u>	
	<u>30-Sep-14</u>	<u>31-Mar-14</u>
	US\$'000	US\$'000
Cross-border loans	39,000	39,000
Medium terms notes	233,177	235,830
Construction loan	<u>32,584</u>	<u>14,680</u>
	<u>304,761</u>	<u>289,510</u>

### I Contingent consideration related to an investment

This relates to the contingent consideration payable for an investment upon certain conditions met.

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

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

As at 30-Sep-14	
Secured	Unsecured
US\$'000	US\$'000
42,247	0

As at 31-Mar-14	
Secured	Unsecured
US\$'000	US\$'000
39,014	0

**Amount repayable after one year**

As at 30-Sep-14	
Secured	Unsecured
US\$'000	US\$'000
262,635	0

As at 31-Mar-14	
Secured	Unsecured
US\$'000	US\$'000
250,565	0

**Details of any collateral**

- (i) The banking facilities of a subsidiary, amounting to approximately US\$6.0 million, granted by two of the banks are secured by corporate guarantees from the Company.
- (ii) The partially drawn mortgage loan facilities of a subsidiary, amounting to approximately US\$47.1 million, is secured by corporate guarantees from the Company and fixed deposit of S\$1.5 million.
- (iii) The finance lease obligations are secured on office equipment with net book values of approximately US\$ 98,000 (31 March 2014 : US\$ 59,000).
- (iv) The Company has been granted a US\$39 million credit facilities for the purposes of facilitating cross-border cash management which are secured by pledged deposits of a subsidiary.
- (v) Fixed rate notes of S\$300 million (approximate US\$242 million) issued by a subsidiary under the Group's medium term note programme are guaranteed by the Company.

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

**Consolidated Statements of Cash Flow for the second quarter and half year ended 30 September 2014**

	The Group			
	2nd Quarter Ended		Half Year Ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit before tax	4,401	12,982	12,927	25,528
Adjustments:				
Amortisation of intangible assets	4,810	4,751	9,705	9,241
Amortisation of deferred revenue	(1,342)	(820)	(3,940)	(984)
Impairment of property, plant and equipment	-	-	(66)	-
Depreciation of property, plant and equipment	1,995	1,706	3,712	3,534
Property, plant and equipment written off	18	6	73	6
Gain on disposal of property, plant and equipment	-	(1)	(1)	(1)
Inventories written off	122	307	317	763
Allowance for doubtful trade debts, net	(1,206)	2,239	(516)	2,805
Allowance for doubtful non-trade debts	(3)	(3)	(6)	(6)
Provision for warranty, net	12	21	33	159
Provision for sales return	237	7	492	677
Intangible assets written off	15	-	15	-
Share-based expenses	(3,092)	1,914	(1,309)	3,756
Inventories write down, net	1,607	387	4,078	842
Interest expenses	3,454	3,442	6,866	6,848
Interest income	(1,815)	(1,702)	(3,546)	(3,289)
Translation differences	(3,728)	2,428	(1,225)	2,511
<b>Operating cash flows before working capital changes</b>	<b>5,485</b>	<b>27,664</b>	<b>27,609</b>	<b>52,390</b>
(Increase)/Decrease in:				
Inventories	2,708	(2,451)	(990)	(8,035)
Trade and other receivables	6,972	(9,920)	209	(14,485)
Increase/(Decrease) in:				
Trade and other payables	2,957	6,695	5,513	(2,305)
Deferred revenue	1,509	712	3,882	712
Pension funds	(1)	-	77	-
<b>Cash generated from operations</b>	<b>19,630</b>	<b>22,700</b>	<b>36,300</b>	<b>28,277</b>
Income tax paid, net	(1,776)	(2,266)	(3,406)	(3,968)
Interest income received	1,815	1,032	3,546	2,178
Interest expenses paid	(6,092)	(6,056)	(6,309)	(6,326)
<b>Net cash generated from operating activities</b>	<b>13,577</b>	<b>15,410</b>	<b>30,131</b>	<b>20,161</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of assets through business combination	-	-	-	(51,130)
Purchase of property, plant and equipment	(10,726)	(8,556)	(26,273)	(12,747)
Purchase of intangible assets	(2,068)	(1,216)	(3,483)	(2,639)
Proceeds from sale of property, plant and equipment	23	144	24	145
<b>Net cash used in investing activities</b>	<b>(12,771)</b>	<b>(9,628)</b>	<b>(29,732)</b>	<b>(66,371)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of finance leases	52	(4)	52	(11)
Proceeds from long-term bank borrowings	6,827	-	17,904	-
Purchase of treasury shares	-	(13,090)	-	(24,810)
Dividends paid	-	(34,551)	-	(34,551)
Proceeds from issuance of new shares	181	4,772	779	5,065
<b>Net cash generated from/(used in) financing activities</b>	<b>7,060</b>	<b>(42,873)</b>	<b>18,735</b>	<b>(54,307)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,866</b>	<b>(37,091)</b>	<b>19,134</b>	<b>(100,517)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>531,253</b>	<b>546,220</b>	<b>511,788</b>	<b>614,305</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(13,247)</b>	<b>3,194</b>	<b>(5,050)</b>	<b>(1,465)</b>
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>525,872</b>	<b>512,323</b>	<b>525,872</b>	<b>512,323</b>

**Note to the consolidated statements of cash flows:**

**A. Cash and cash equivalents**

Cash and cash equivalents consist of cash and bank balances, fixed deposits and money markets deposits. Cash and cash equivalents included in the consolidated statements of cash flows comprise the following balance sheet amounts:

	<u>The Group</u>			
	<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
	<u>30-Sep-14</u>	<u>30-Sep-13</u>	<u>30-Sep-14</u>	<u>30-Sep-13</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances	290,920	407,111	290,920	407,111
Fixed deposits	221,427	105,212	221,427	105,212
Money markets deposits	13,525	-	13,525	-
	<u>525,872</u>	<u>512,323</u>	<u>525,872</u>	<u>512,323</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.

**Statement of changes in equity for the second quarter and half year ended 30 September 2014**

	Attributable to equity holders of the Company						Total Equity
	Share Capital	Share Premium	Treasury Shares	Translation Reserves	Other Reserves	Accumulated Profit	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>The Group</b>							
<b>At 1 April 2014</b>	117	740,034	(48,792)	50,839	27,327	483,520	1,253,045
Profit net of tax	-	-	-	-	-	14,794	14,794
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	-	(2,058)	-	-	(2,058)
<b>Total comprehensive income</b>	-	-	-	<b>(2,058)</b>	-	<b>14,794</b>	<b>12,736</b>
Contributions by and distributions to owners							
Issue of ordinary shares pursuant to the exercise of share options	-	*	779	-	-	-	779
Transfer of reserve pursuant to the exercise of share options	-	300	-	-	(300)	-	-
Share-based expenses	-	-	-	-	(1,309)	-	(1,309)
<b>Total contributions by and distributions to owners</b>	-	<b>1,079</b>	-	-	<b>(1,609)</b>	-	<b>(530)</b>
<b>At 30 September 2014</b>	<b>117</b>	<b>741,113</b>	<b>(48,792)</b>	<b>48,781</b>	<b>25,718</b>	<b>498,314</b>	<b>1,265,251</b>
<b>At 1 April 2013</b>	116	731,778	(18,007)	33,549	22,510	478,013	1,247,959
Profit net of tax	-	-	-	-	-	23,354	23,354
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	-	20,416	-	-	20,416
Realisation of translation differences of investment in joint-venture company	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	<b>20,416</b>	-	<b>23,354</b>	<b>43,770</b>
Contributions by and distributions to owners							
Issue of ordinary shares pursuant to the exercise of share options	1	5,064	-	-	-	-	5,065
Transfer of reserve pursuant to the exercise of share options	-	2,500	-	-	(2,500)	-	-
Dividends on ordinary shares	-	-	-	-	-	(34,551)	(34,551)
Purchase of treasury shares	-	-	(24,810)	-	-	-	(24,810)
Share-based expenses	-	-	-	-	3,756	-	3,756
<b>Total contributions by and distributions to owners</b>	<b>1</b>	<b>7,564</b>	<b>(24,810)</b>	-	<b>1,256</b>	<b>(34,551)</b>	<b>(50,540)</b>
<b>At 30 September 2013</b>	<b>117</b>	<b>739,342</b>	<b>(42,817)</b>	<b>53,965</b>	<b>23,766</b>	<b>466,816</b>	<b>1,241,189</b>

Footnote

\* Amounts are less than US\$1,000.

**Statement of changes in equity for the second quarter and half year ended 30 September 2014**

	Attributable to equity holders of the Company						
	Share Capital	Share Premium	Treasury Shares	Translation Reserves	Other Reserves	Accumulated Profit	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>The Company</u></b>							
<b>At 1 April 2014</b>	117	740,034	(48,792)	-	26,822	55,474	773,655
Profit net of tax representing total comprehensive income for the quarter	-	-	-	-	-	15,400	15,400
Contributions by and distributions to owners							
Issue of ordinary shares pursuant to the exercise of share options	-	*	779	-	-	-	779
Transfer of reserve pursuant to the exercise of share options	-	300	-	-	(300)	-	-
Share-based expenses	-	-	-	-	(1,309)	-	(1,309)
<b>Total contributions by and distribution to owners</b>	-	<b>1,079</b>	-	-	<b>(1,609)</b>	-	<b>(530)</b>
<b>At 30 September 2014</b>	<b>117</b>	<b>741,113</b>	<b>(48,792)</b>	-	<b>25,213</b>	<b>70,874</b>	<b>788,525</b>
<b>At 1 April 2013</b>	116	731,778	(18,007)	-	22,510	48,098	784,495
Profit net of tax representing total comprehensive income for the quarter	-	-	-	-	-	(9,969)	(9,969)
Contributions by and distributions to owners							
Issue of ordinary shares pursuant to the exercise of share options	1	*	5,064	-	-	-	5,065
Transfer of reserve pursuant to the exercise of share options	-	2,500	-	-	(2,500)	-	-
Dividends on ordinary shares	-	-	-	-	-	(34,551)	(34,551)
Purchase of treasury shares	-	-	(24,810)	-	-	-	(24,810)
Share-based expenses	-	-	-	-	3,756	-	3,756
<b>Total contributions by and distribution to owners</b>	<b>1</b>	<b>7,564</b>	<b>(24,810)</b>	-	<b>1,256</b>	<b>(34,551)</b>	<b>(50,540)</b>
<b>At 30 September 2013</b>	<b>117</b>	<b>739,342</b>	<b>(42,817)</b>	-	<b>23,766</b>	<b>3,578</b>	<b>723,986</b>

Footnote

\* Amounts are less than US\$1,000.

**Note to the Statement of Changes in Equity**

Other reserves consist of the following:

	The Group		The Company	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	US\$'000	US\$'000	US\$'000	US\$'000
Employee share options reserve	20,034	18,587	20,034	18,587
Statutory reserve	505	-	-	-
Capital reserves	1,561	1,561	1,561	1,561
Equity component of convertible notes	3,618	3,618	3,618	3,618
	<b>25,718</b>	<b>23,766</b>	<b>25,213</b>	<b>23,766</b>

- 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 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.**

**A. Changes in share capital**

For the quarter ended 30 September 2014, the Company issued 548,987 new ordinary shares of par value 1/150 US cent each pursuant to the exercise of options. The issued ordinary shares (excluding treasury shares) increased from 1,698,489,000 shares as at 30 June 2014 to 1,699,037,987 shares of par value 1/150 US cent each at the end of the quarter ended 30 September 2014.

**B. Stock options and performance shares outstanding**

As at 30 September 2014, options in respect of a total of 32,143,387 (31 March 2014: 28,945,226) ordinary shares of par value 1/150 US cent each and 17,000,000 (31 March 2014: 17,000,000) performance shares pursuant to Biosensors Performance Share Plan were outstanding.

- 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-Sep-14 '000	As at 31-Mar-14 '000
Total number of issued shares	1,759,279	1,757,243
Less number of shares held as treasury shares	(60,241)	(60,241)
Number of shares in issue excluding treasury shares of the Issuer at end of period	<u>1,699,038</u>	<u>1,697,002</u>

In the quarter ended 30 September 2014, the Company didn't acquire any ordinary shares from the market. The shares acquired in earlier periods are held as "treasury shares". The Company has the right to re-issue these shares at a later date. All shares issued by the Company were fully paid.

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

No treasury shares were sold, transferred, disposed, cancelled and/or used as at the end of the current financial period

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

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the audited financial statements for the financial year ended 31 March 2014 except for the adoption of new/revised IFRSs and IFRIC Interpretations that are effective for annual periods beginning on or after 1 April 2014.

- 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 adopted the new/revised IFRSs and IFRIC Interpretations that are effective for annual periods beginning on or after 1 April 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRIC Interpretations.

The following are the new or amended IFRSs that are relevant to the Group:	Effective date
Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities	1 Jan 2014
Amendments to IAS 32 Presentation – Offsetting financial assets and liabilities	1 Jan 2014
Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial	1 Jan 2014
Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge	1 Jan 2014
IFRIC 21 – Levies	1 Jan 2014

The adoption of the above IFRSs and IFRIC interpretations do not have any significant impact on the financial statements of the Group.

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

		<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
		<u>30-Sep-14</u>	<u>30-Sep-13</u>	<u>30-Sep-14</u>	<u>30-Sep-13</u>
Earnings per ordinary share of the Group:-		US cent	US cent	US cent	US cent
(a) Based on the weighted average number of ordinary shares; and	1				
- Before exceptional items		0.26	0.67	0.84	1.38
- After exceptional items		0.29	0.66	0.87	1.36
(b) On a fully diluted basis	2				
- Before exceptional items		0.26	0.67	0.84	1.36
- After exceptional items		0.29	0.65	0.86	1.35
1 Weighted average ordinary shares issued ('000)		1,698,679	1,711,099	1,698,060	1,715,556
2 Weighted average ordinary shares and equivalents outstanding ('000)		1,709,701	1,724,257	1,710,438	1,731,310

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares, adjusted for the effects of dilutive options.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<u>As at</u> <u>30-Sep-14</u>	<u>As at</u> <u>31-Mar-14</u>
	US cent	US cent
Net assets per ordinary share		
-Group	74.47	73.84
-Company	46.41	45.59
Number of shares in issue at end of period ('000)	<u>1,699,038</u>	<u>1,697,002</u>

Net assets per share is calculated by dividing the net assets by the number of ordinary shares in issue as at the balance sheet date.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Financial Review for the second quarter and half year ended 30 September 2014**

**Revenue:**

Total revenue, including licensing and royalty revenue, for the quarter decreased 10% to US\$74.8 million from US\$83.0 million in the previous year's corresponding quarter. Total product revenue for the quarter ended 30 September 2014 decreased by 5% to US\$68.9 million from US\$72.2 million recorded in the previous year's corresponding quarter. This was attributable to the decrease in sales in the business segment of interventional cardiology, offset by the increase in sales in the business segments of critical care and cardiac diagnostic. Cardiac diagnostic revenue rose to US\$3.9 million from US\$2.4 million in the same quarter of last year, and the critical care product revenue was US\$3.7 million, compared to US\$3.4 million in the same quarter last year. The Cardiac Diagnostic division had delivered more than 60% growth from the same period last year. In addition, the Company's own distribution business for Terumo in Japan grew more than 70% from a year ago, with a substantial improvement in the penetration rate of the accounts assigned to us.

For the half year ended 30 September 2014, total product revenue increased 2% to US\$139.3 million from US\$137.3 million in the previous year's corresponding period, contributed mainly by the new revenue stream from the cardiac diagnostic business unit. The decrease in licensing revenue and royalties for the half financial year ended 30 September 2014 was due to a reduction in the licensee's DES sales in Japan, consequentially total revenue including licensing and royalty revenue decreased 3% to US\$155.0 million from US\$159.7 million in the previous year's corresponding period.

The table below shows the Group's revenue and the principal components of the revenue, as a percentage of total revenue, for the periods indicated:

<u>Revenue by business segments - 2nd Quarter</u>	<u>Q2 FY 2015</u>	<u>%</u>	<u>Q2 FY 2014</u>	<u>%</u>
	<u>US\$'000</u>		<u>US\$'000</u>	
Critical care	3,655	5%	3,425	4%
Interventional cardiology	61,303	83%	66,387	80%
Cardiac diagnostic	3,906	5%	2,410	3%
Total product revenue	68,864	92%	72,222	87%
Licensing and royalties revenue	5,922	8%	10,795	13%
Total revenue	74,786	100%	83,017	100%

<u>Revenue by business segments - First Half Year</u>	<u>H1 FY 2015</u>	<u>%</u>	<u>H1 FY 2014</u>	<u>%</u>
	<u>US\$'000</u>		<u>US\$'000</u>	
Critical care	8,031	5%	6,856	4%
Interventional cardiology	122,998	80%	127,297	80%
Cardiac diagnostic	8,303	5%	3,116	2%
Total product revenue	139,332	90%	137,269	86%
Licensing revenue	15,664	10%	22,413	14%
Total revenue	154,996	100%	159,682	100%

#### **Cost of sales and gross profit:**

Overall gross margin for products was 70% for the quarter ended 30 September 2014, compared to 73% for the previous year's corresponding quarter. This was attributable mainly to lower gross profit margins from the distribution activities of Nobori stents in Japan and the cardiac diagnostic business, as well as the price reductions in various geographic regions.

Overall gross margin for products in the half year ended 30 September 2014 was 70%, compared to 74% for the previous year's corresponding period, due to the same reasons which had contributed to the gross margin reduction for the quarter ended 30 September 2014.

The table below shows the Group's gross profit by business segments, as a percentage of segment revenue, for the periods indicated:

<u>Gross profit by business segments - 2nd Quarter</u>	<u>Q2 FY 2015</u>	<u>Gross Margin</u>	<u>Q2 FY 2014</u>	<u>Gross Margin</u>
	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>%</u>
Critical care	1,579	43%	1,083	32%
Interventional cardiology	43,963	72%	50,939	77%
Cardiac diagnostic	2,436	62%	1,003	42%
Total product gross profit	47,978	70%	53,025	73%
Licensing and royalties revenue	5,922	100%	10,795	100%
Total gross profit	53,900	72%	63,820	77%

<u>Gross profit by business segments - First Half Year</u>	<u>H1 FY 2015</u>	<u>Gross Margin</u>	<u>H1 FY 2014</u>	<u>Gross Margin</u>
	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>%</u>
Critical care	3,487	43%	2,179	32%
Interventional cardiology	89,582	73%	98,647	77%
Cardiac diagnostic	4,897	59%	1,219	39%
Total product gross profit	97,966	70%	102,045	74%
Licensing and royalties revenue	15,664	100%	22,413	100%
Total gross profit	113,630	73%	124,458	78%

#### **Operating expenses:**

The Group's total operating expenses for the second quarter were US\$43.8 million compared to US\$44.3 million for the second quarter in the previous year. For the half year ended 30 September 2014, total operating expenses were US\$88.7 million compared to US\$86.2 million in the previous year's half year.

##### **(i) Sales and marketing expenses**

Sales and marketing expenses increased 8% to US\$26.0 million for the quarter ended 30 September 2014 compared to US\$24.1 million for the quarter ended 30 September 2013. For the half year ended 30 September 2014, the sales and marketing expenses were US\$52.9 million, comparing to US\$50.6 million in the corresponding period of last year. The increase was the result from the increase in registry trial expenses, marketing, exhibition related expenses and payroll related costs offset by the reversal of bad debt provision.

##### **(ii) General and administrative expenses**

General and administrative expenses were US\$9.5 million for the quarter ended 30 September 2014 compared to US\$12.2 million in the previous year's corresponding quarter, a decrease of 23%. For the half year ended 30 September 2014, compared to the corresponding period for last year, general and administrative expenses reduced to US\$20.1 million from US\$21.5 million. The slight decrease for the period was mainly due to decreased professional fee, repair and maintenance and lower share-based payment expenses.

##### **(iii) Research and development expenses**

Research and development expenses increased 14% to US\$8.3 million for the quarter ended 30 September 2014 compared to US\$7.2 million in the quarter ended 30 September 2013. For the half year ended 30 September 2014, the research and development expenses were US\$15.3 million compared to US\$13.3 million for the same period in prior year. The increase was mainly due to higher clinical trial expenses in Europe, Japan and China.

##### **(iv) Other operating income/(expenses)**

Other operating expenses for the quarter was mainly the exchange losses from the depreciation of SGD, EUR and JPY against USD during the period.

**Income tax**

Income tax for the current quarter and the half year ended 30 September 2014 includes mainly the corporate income tax expenses, offset by the reversal of prior year tax provision.

**Net result after tax:**

The net result for the quarter ended 30 September 2014 was a profit after tax of US\$4.9 million as compared to a net profit after tax of US\$11.3 million for the same quarter in the previous year. The decrease in net result for the quarter as compared to the prior year's corresponding period was attributable to DES price reduction in various regions, the impact from reduced licensing revenue, and increased investment in clinical and registry trial expenses.

For the half year under review, the Group recorded a net profit after tax of US\$14.8 million compared to a net profit after tax of US\$23.4 million in the prior year's period. The reduction was due to the same reasons that contributed to the net result decrease in the quarter ended 30 September 2014.

**Use of proceeds from the issue of 4.875% fixed rate notes due 2017**

The Company refers to its announcement on 23 January 2013 in relation to the issuance of an aggregate of S\$300 million (approximate US\$235 million) in principal amount of 4-year notes with interest at a rate of 4.875%, payable semi-annually in arrear.

As at 30 September 2014, out of the total net proceeds of S\$295.4 million (approximate US\$238.2 million) from the issuance of 4-year notes, the Company paid US\$78.5 million for the acquisition of the business of Spectrum Dynamics, technical know-how of DES and other unquoted investments.

The Company will continue to make periodic announcements on the utilisation of the proceeds from the notes issue as and when such proceeds are materially deployed.

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

Not Applicable.

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

In the first half of FY2015, the Company experienced sustained softness in its overall business that was more severe than was expected. With the transition of the Company under the leadership of its new CEO, the Company is now heavily focused on improving its operational efficiency and enhancing the effectiveness of its execution. The Company believes that achieving an efficient operational structure is the foundation to enhancing its overall profitability.

For its China business, the Company has also appointed a new leader to review its overall strategy, aiming at strengthening the current market leadership position.

On the clinical side, the Company completed the patient enrolment for the LEADERS FREE clinical trial and is awaiting the results which are on track to be presented in the second half of 2015. The enrolment of the BioFreedom clinical trials in Japan and the U.S. is also well on track.

In Japan, the Company recently completed an agreement with Terumo to distribute a private label version of Nobori™ after the conclusion of its current licensing contract.

The Company also expects its D-SPECT product line will continue to enjoy positive growth in the coming quarters.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended during the period under review.

**13. Interested person transactions**

There were no new interested person transactions during the second quarter and half year ended 30 September 2014 under Chapter 9 of the Listing Manual.

**BY ORDER OF THE BOARD**

**Yoh-Chie Lu**

**Chairman**

**12 November 2014**



**Statement by Directors**  
**Pursuant to SGX Listing Rule 705(4)**

In the opinion of management, the accompanying unaudited consolidated interim financial statements have been prepared on a consistent basis with the March 31, 2014 audited consolidated financial statements. The unaudited consolidated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting periods, and therefore the actual results may differ from those estimates. The consolidated interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes thereto included in our FY 2013/14 annual report.

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial results to be false or misleading. Based on our knowledge, the financial statements and other financial information included in this report, present fairly in all material respects the financial conditions, results of operations and cash flows of the Group as of, and for, the periods presented in this announcement.

**On Behalf of the Board**

**Yoh-Chie Lu**  
**Chairman**

**Jose Calle Gordo**  
**CEO**

**12 November 2014**

**BIOSENSORS INTERNATIONAL GROUP, LTD.**

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