



**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

**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.**

1(a)(i) Unaudited Group Income Statement for the second quarter ended 30 June 2015.

GROUP	Second Quarter			Year-To-Date		
	Q2 2015 S\$'000	Q2 2014 S\$'000	Increase/ (Decrease) %	30/6/2015 S\$'000	30/6/2014 S\$'000	Increase/ (Decrease) %
Revenue	12,683	13,657	(7)	24,861	27,591	(10)
<u>Other items of income</u>						
Interest income	26	30	(13)	56	61	(7)
Other income	415	1,720	(76)	2,307	4,065	(43)
<u>Items of expense</u>						
Financial expense	(2)	-	N.M.	(2)	(8)	(75)
Purchases and changes in inventories of consumables and medical supplies	(2,113)	(2,473)	(15)	(4,253)	(4,846)	(12)
Employee benefits expense	(8,083)	(7,802)	4	(15,566)	(16,105)	(3)
Depreciation and amortisation	(387)	(929)	(58)	(779)	(1,810)	(57)
Rental expense	(2,254)	(2,112)	7	(4,508)	(4,334)	4
Other expenses	(1,549)	(1,926)	(20)	(2,967)	(3,743)	(21)
Share of results of associates	109	394	(72)	282	518	(46)
Profit/ (Loss) before tax	(1,155)	559	(307)	(567)	1,389	(141)
Income tax	(28)	-	N.M.	(72)	-	N.M.
Profit/ (Loss) for the period	(1,183)	559	(312)	(639)	1,389	(146)
Attributable to:						
Owners of the Company	(1,233)	846	(246)	(779)	1,945	(140)
Non-controlling interests	50	(287)	117	140	(556)	125
Profit/ (Loss) for the period	(1,183)	559	(312)	(639)	1,389	(146)

NM: Not Meaningful

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

Statement of Comprehensive Expense	Second Quarter			Year to date		
	Q2 2015 S\$'000	Q2 2014 S\$'000	Increase/ (Decrease) %	30/6/2015 S\$'000	30/6/2014 S\$'000	Increase/ (Decrease) %
Profit/(Loss) for the period	(1,183)	559	(312)	(639)	1,389	(146)
Other comprehensive income/ (expense)						
Translation differences relating to financial statements of foreign subsidiaries	90	2,576	(96)	122	2,721	(96)
Total comprehensive income/ (expense) for the period	(1,093)	3,135	(135)	(517)	4,110	(113)
Total comprehensive income/ (expense) attributable to:						
Owners of the parent	(1,289)	1,608	(180)	(835)	2,973	(128)
Non-controlling interests	196	1,527	(88)	318	1,137	(72)
Total comprehensive income/ (expense) for the period	(1,093)	3,135	(135)	(517)	4,110	(113)

1(a)(ii)

GROUP	Second Quarter		Year-To-Date	
	Q2 2015 S\$'000	Q2 2014 S\$'000	30/06/2015 S\$'000	30/06/2014 S\$'000
Other income:				
Other income	415	1,720	2,307	4,065
	415	1,720	2,307	4,065
Financial expense:				
Interest expense:				
- Bank loans	-	-	-	7
- Obligations under finance leases	1	-	2	-
- Others	-	-	-	1
Total financial expense	1	-	2	8
Depreciation and amortisation:				
Depreciation of property, plant and equipment	387	929	779	1,810
	387	929	779	1,810

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

1(a)(iii) Additional disclosures

	Second Quarter			Year-To-Date		
	Q2 2015	Q2 2014	Increase/ (Decrease)	30/06/2015	30/06/2014	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	26	30	(13)	57	61	(7)
Interest expense	(2)	-	N.M.	(2)	(8)	(75)
Gain/(Loss) on disposal of property, plant and equipment	14	1	N.M.	33	(1)	N.M.
Gain/(Loss) on disposal of subsidiary	-	1,621	(100)	-	1,621	(100)
(Provision for)/ Reversal of allowance for doubtful debts	(97)	(61)	59	(203)	(109)	86
Reversal of reinstatement cost	184*	-	N.M.	184*	-	N.M.
Bad debts written off	(13)	(118)	(89)	(68)	(119)	(43)
Depreciation and amortisation	(387)	(929)	(58)	(779)	(1,810)	(57)
Foreign exchange gain/(loss) (net)	(1)	(3)	(66)	-	(3)	100

N.M. Not meaningful

* The reversal of reinstatement costs relates to the proposed disposal of the imaging and day surgery businesses and the relinquishing of two floors at levels 7 and 12 Paragon to the buyers.

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.

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank	1,172	2,737	62	120
Trade and other receivables	7,188	6,703	15,173	10,341
Other assets	885	679	279	200
Inventories	1,170	1,245	-	-
	10,415	11,364	15,514	10,661
Assets of disposal group classified as held for sale	3,354	3,566	-	-
	13,769	14,930	15,514	10,661
Non-current assets:				
Investments in subsidiaries	-	-	3,936	3,936
Investments in associates	1,447	1,531	474	659
Other investments	-	-	-	-
Property, plant and equipment	3,318	4,266	1,054	1,698
Other assets	470	1,163	-	-
	5,235	6,960	5,464	6,293
TOTAL ASSETS	19,004	21,890	20,978	16,954
EQUITY AND LIABILITIES				
Current liabilities:				
Trade and other payables	12,072	12,486	16,227	14,013
Other liabilities	3,234	3,197	491	434
Income tax payable	225	254	-	-
Provision	110	411	110	405
	15,641	16,348	16,828	14,852
Liabilities directly associated with disposal group classified as held for sale	3,621	4,133	-	-
	19,262	20,481	16,828	14,852
Non-current liabilities:				
Deferred tax liabilities	29	29	-	-
Provisions	485	870	257	317
Other payables	-	-	-	-
	514	899	257	317
TOTAL LIABILITIES	19,776	21,380	17,085	15,169
Equity attributable to owners of the company:				
Share capital	62,615	62,615	62,615	62,615
Retained earnings	(61,798)	(60,254)	(58,722)	(60,830)
Foreign currency translation reserve	(589)	(533)	-	-
	228	1,828	3,893	1,785
Non-controlling interests	(1,000)	(1,318)	-	-
TOTAL EQUITY *	(772)*	510	3,893	1,785
TOTAL EQUITY AND LIABILITIES	19,004	21,890	20,978	16,954

*The disposal of the business and assets relating to Pacific Healthcare Imaging announced to SGXNET on 3 August 2015 will result in a gain on sale of S\$1.98m and change the net asset value to a positive value of S\$1,208,000.

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

Not Applicable.

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

GROUP	Q2 2015	Q2 2014
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit (Loss) before tax	(1,155)	559
Adjustments for:		
Depreciation expense	387	929
Interest income	(26)	(30)
Interest expense	2	-
Fair value adjustment on financial assets and financial liabilities	(1)	6
Bad trade receivables written off	13	118
Goodwill impairment	-	-
(Reversal of)/Provision for doubtful debts	97	61
Reversal of reinstatement cost	(184)	-
Impairment loss on other investment	-	50
Share of results of associates	(109)	(394)
Gain on disposal of property, plant and equipment	(14)	(1)
Fixed asset written off	8	10
Gain on disposal of subsidiary	-	(1,621)
Loss on disposal of associate	1	-
Realised exchange (gain)/loss, net	-	(1,077)
Unrealised exchange (gain)/loss, net	1	3
Operating cash flows before changes in working capital	(980)	(1,387)
Trade and other receivables	702	558
Inventories	(59)	21
Trade and other payables	473	(614)
Cash flows from operations	136	(1,422)
Income tax refund/ (paid)	(141)	(45)
Net cash flows used in operating activities	(5)	(1,467)
Cash flow from investing activities:		
Disposal of subsidiary net of cash disposed	-	330
Disposal of associates net of cash disposed	(148)	-
Purchase of property, plant and equipment	(67)	(152)
Proceed from disposal of property, plant and equipment	14	1
Dividend income from associates	161	170
Investment in associates	-	(240)
Interest received	-	-
Net cash flows from (used in) investing activities	(40)	109

GROUP	Q2 2015	Q2 2014
	S\$'000	S\$'000
Cash flow from financing activities:		
Dividend paid	(419)	-
Repayment of obligation under finance leases	(14)	(47)
Capital contribution from non-controlling interests of subsidiary	-	13
Interest paid	(2)	-
Net cash flows from (used in) financing activities	(435)	(34)
Net decrease in cash and cash equivalents	(480)	(1,392)
Effect of exchange rate changes on cash and cash equivalents	(1)	(2)
Cash and cash equivalents at beginning of period	2,211	3,500
Cash and cash equivalents at end of period	1,730	2,106

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	Equity, total	Attributable to owners of the parent								Non-controlling interests
		Attributable to owners of the parent, total	Share capital	Retained earnings	Other reserves, total	Other reserves				
						Foreign currency translation reserve	Fair value adjustment reserve	Reserve of disposal group classified as held for sale	Premium paid on acquisition of non-controlling interests	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Opening balance at 1 April 2015	742	1,938	62,615	(60,144)	(533)	(203)	-	(283)	(47)	(1,196)
Profit/ (loss) for the period	(1,183)	(1,233)	-	(1,233)	-	-	-	-	-	50
Other comprehensive income/ (expense) for the period	90	(56)	-	-	(56)	(2)	-	(54)	-	146
Total comprehensive income/ (expense) for the period	(1,093)	(1,289)	-	(1,233)	(56)	(2)	-	(54)	-	196
Dividend paid	(421)	(421)	-	(421)	-	-	-	-	-	-
Closing balance at 30 June 2015	(772)	228	62,615	(61,798)	(589)	(205)	-	(337)	(47)	(1,000)
Opening balance at 1 April 2014	1,441	5,188	62,615	(56,649)	(778)	(736)	5	-	(47)	(3,747)
Profit/ (loss) for the period	559	846	-	846	-	-	-	-	-	(287)
Other comprehensive income/ (expense) for the period	2,576	762	-	-	762	767	(5)	-	-	1,814
Total comprehensive income/ (expense) for the period	3,135	1,608	-	846	762	767	(5)	-	-	1,527
Closing balance at 30 June 2014	4,576	6,796	62,615	(55,803)	(16)	31	-	-	(47)	(2,220)

COMPANY	Equity, Total	Share Capital	Retained eaming
	S\$'000	S\$'000	S\$'000
Opening balance at 1 April 2015, as restated	3,841	62,615	(58,774)
Profit/ (loss) for the period	52	-	52
Total comprehensive income/ (expense) for the period	52	-	52
Closing balance at 30 June 2015	3,893	62,615	(58,722)
Opening balance at 1 April 2014, as restated	6,493	62,615	(56,122)
Profit/ (loss) for the period	4,587	-	4,587
Total comprehensive income/ (expense) for the period	4,587	-	4,587
Closing balance at 30 June 2014	11,080	62,615	(51,535)

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.

	2015		2014	
	Number of Ordinary Shares	Share Capital S\$'000	Number of Ordinary Shares	Share Capital S\$'000
As at 1 April	573,742,933	62,615	573,742,933	62,615
As at 30 June	573,742,933	62,615	573,742,933	62,615

At the end of the reporting period, there were no outstanding share options.

The Company did not have any treasury shares as at 30 June 2015 and 30 June 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.

	30/06/2015	31/12/2014
Number of issued shares excluding treasury shares	573,742,933	573,742,933

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.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 June 2015 (31 December 2014: Nil) as the Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

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

The financial statement on consolidated results for the second quarter ended 30 June 2015 have not been audited or reviewed.

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 annual financial statements have been applied.

Accounting policies and methods of computation used in the consolidated financial statements for the second quarter ended 30 June 2015 are consistent with those applied in the financial statements for the year ended 31 December 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.**

Not applicable.

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.**

	Second Quarter		Year-To-Date	
	Q2 2015	Q2 2014	30/06/2015	30/06/2014
Loss/earnings per ordinary share of the group, after deducting any provision for preference dividends:				
(i) Basic earnings per share	-0.21 cents	0.14 cents	-0.13 cents	0.34 cents
(ii) On a fully diluted basis	-0.21 cents	0.14 cents	-0.13 cents	0.34 cents

The basic and fully diluted loss/earnings per share for the quarter and half year ended 30 June 2015 were calculated based on the net loss attributable to owners of the parent company of S\$1,235,000 (Q2 2014: earnings of \$846,000) and S\$780,000 (Year-To-Date 2014: earning of \$1,945,000) divided by the weighted average number of ordinary shares 573,742,933 (Q2 2014: 573,742,933).

The diluted earnings per share is the same as the basic earnings per share as there were no diluted common share equivalents outstanding during the relevant period.

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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share	-0.13 cents *	0.08 cents	0.68 cents	0.31 cents

The net liability value per ordinary share of the Group has been calculated based on the shareholders' equity of S\$772,000 (31 December 2014: asset of S\$510,000) and the share capital of 573,742,933 ordinary shares (31 December 2014: 573,742,933 ordinary shares).

The net asset value per ordinary share of the Company has been calculated based on the shareholders' equity of S\$3,893,000 (31 December 2014: S\$1,785,000) and the share capital of 573,742,933 ordinary shares (31 December 2011: 573,742,933 ordinary shares).

*The disposal of the business and assets relating to Pacific Healthcare Imaging announced to SGXNET on 3 August 2015 will result in a gain on sale of S\$1.98m and change the net asset value per ordinary share to 0.21 cents.

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

Revenue for the quarter ended 30 June 2015 ("Q2 2015") declined by 7% from S\$13.7m to S\$12.7m when compared to the corresponding period of last year ("Q2 2014"). The decline was on the back of a general decline in medical tourism, and specifically for patients from Indonesia and Russia.

Total expenses fell by S\$0.9m for Q2 2015 vs Q2 2014. Overall operating expenses were lower in Q2 2015, mainly due to the decrease in direct cost in line with the decrease in revenue and other expenses including bad debts. Depreciation expenses decreased by 58% from S\$1.0m to S\$0.4m with the completion of depreciation on heavy imaging equipment.

For Q2 2015, the group incurred a loss attribute to the shareholders of S\$1.2m as compare to profit of S\$0.8m in Q2 2014.

As at 30 June 2015, the Group's cash and bank balance decreased by S\$1.5m to S\$1.2m mainly due to decrease in revenue.

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

The Group did not issue any forecast or a prospect statement.

- 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 overall environment for the specialist medical business remains competitive, and the strong Singapore dollar has led to foreign patients seeking alternative service providers in the region e.g. Malaysia and Thailand.

The nursing home business continues to be profitable and provides a stable source of revenue and cash flow.

The current turnaround initiatives are on-going. In the second half of April 2015, the Group had ceased operations of its Indonesian business. On 3 August 2015, the Group announced the sale of its imaging business to Lifescan Imaging Pte Ltd.

On 3 July 2015, trading in the Company's securities was suspended pending receipt and completion of an exit offer.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? **No**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **No**

(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 for the quarter ended 30 Jun 2015.

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii)

14. Confirmation pursuant to Rule 705 (5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the period ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wong Yee Kong (Andrew)
Chief Executive Officer
12 August 2015