



**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

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

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

1(a)(i) Unaudited Income Statement for the third quarter ended 30 September 2015.

Group	Third Quarter			Year-To-Date		
	Q3 2015 S\$'000	Q3 2014 S\$'000	Increase/ (Decrease) %	30/9/2015 S\$'000	30/9/2014 S\$'000	Increase/ (Decrease) %
Revenue	11,970	12,486	(4)	36,831	40,077	(8)
<u>Other items of income</u>						
Interest income	30	31	(4)	85	92	(8)
Other income	66	222	(70)	2,066	4,287	(52)
<u>Items of expense</u>						
Financial expense	13	-	N.M.	11	(8)	(238)
Purchases and changes in inventories of consumables and medical supplies	(2,502)	(2,348)	7	(6,754)	(7,194)	(6)
Employee benefits expense	(7,032)	(8,533)	(18)	(22,598)	(24,638)	(8)
Depreciation and amortisation	(363)	(802)	(55)	(1,143)	(2,612)	(56)
Rental expense	(1,982)	(2,091)	(5)	(6,490)	(6,425)	1
Other expenses	(2,376)	(3,986)	(40)	(5,035)	(7,729)	(35)
Share of results of associates	106	327	(68)	388	845	(54)
Loss before tax	(2,071)	(4,694)	(56)	(2,639)	(3,305)	(20)
Income tax	(126)	(52)	142	(198)	(52)	281
Loss for the period	(2,197)	(4,746)	(54)	(2,837)	(3,357)	(15)
Attributable to:						
Owners of the Company	(2,331)	(4,533)	(49)	(3,110)	(2,588)	20
Non-controlling interests	133	(213)	(162)	273	(769)	(136)
Loss for the period	(2,198)	(4,746)	(54)	(2,837)	(3,357)	(15)

NM: Not Meaningful

Statement of Comprehensive Expense

Group	Third Quarter			Year-To-Date		
	Q3 2015 S\$'000	Q3 2014 S\$'000	Increase/ (Decrease) %	30/9/2015 S\$'000	30/9/2014 S\$'000	Increase/ (Decrease) %
Loss for the period	(2,197)	(4,746)	(54)	(2,837)	(3,357)	(15)
Other comprehensive income/ (expense)						
Currency translation differences	79	18	N.M.	201	1,067	N.M.
Total comprehensive expense for the period	(2,118)	(4,728)		(2,636)	(2,290)	
Total comprehensive income/ (expense) attributable to:						
Owners of the parent	(2,381)	(4,497)	(47)	(1,898)	(1,524)	25
Non-controlling interests	262	(231)	(213)	(738)	(766)	(4)
Total comprehensive expense for the period	(2,119)	(4,728)	(55)	(2,636)	(2,290)	15

1(a)(ii) Loss for the period include the following:

Group	Third Quarter			Year to date		
	Q3 2015 S\$'000	Q3 2014 S\$'000	Increase/ (Decrease) %	30/9/2015 S\$'000	30/9/2014 S\$'000	Increase/ (Decrease) %
Interest income	30	31	(4)	85	92	(8)
Interest expense	13	-	N.M.	11	(8)	(238)
Loss on disposal of plant and equipment *	(261)	2	(13,150)	(227)	1	(22,800)
Gain/(Loss) on disposal of subsidiary	-	1,077	N.M.	-	1,689	(100)
Allowance for doubtful debts	166	(271)	(161)	(67)	(380)	(82)
Dividend income	-	173	N.M.	-	278	N.M.
Bad debts written off	128	(23)	(657)	(196)	(142)	38
Impairment of goodwill	-	(38)	N.M.	-	(38)	N.M.
Plant and equipment written off *	(566)	(1)	N.M.	(390)	-	N.M.
Depreciation and amortisation	(363)	(802)	(55)	(1,143)	(2,612)	(56)
Foreign exchange (loss)/gain (net)	(27)	1	(2,800)	(27)	(2)	1,250

N.M. Not meaningful

* The increase in plant and equipment written off and loss on disposal of plant and equipment arose from the disposal of assets and the termination of the Level 7 lease at Paragon.

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	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank	1,261	2,737	56	120
Trade and other receivables	3,555	3,956	14,379	8,939
Deposits	2,533	2,747	1,498	1,402
Other assets	776	679	230	200
Inventories	1,195	1,245	-	-
	9,320	11,364	16,163	10,661
Assets of disposed group held for sale	2,224	3,566	-	-
	11,544	14,930	16,163	10,661
Non-current assets:				
Investments in subsidiaries	-	-	3,936	3,936
Investments in associates	1,552	1,531	474	659
Property, plant and equipment	2,955	4,266	684	1,698
Other assets	400	1,163	-	-
	4,907	6,960	5,094	6,293
TOTAL ASSETS	16,451	21,890	21,257	16,954
EQUITY AND LIABILITIES				
Current liabilities:				
Trade and other payables	14,435	12,486	17,244	14,013
Other liabilities	3,315	3,197	493	434
Income tax payable	209	254	-	-
Finance leases	44	-	-	-
Provisions	110	411	256	405
	18,113	16,348	17,993	14,852
Liabilities of disposed group held for sale	722	4,133	-	-
	18,835	20,481	17,993	14,852
Non-current liabilities:				
Deferred tax liabilities	29	29	-	-
Provisions	478	870	-	317
	507	899	-	317
TOTAL LIABILITIES	19,342	21,380	17,993	15,169
Equity attributable to owners of the Company:				
Share capital	62,615	62,615	62,615	62,615
Retained earnings	(64,129)	(60,254)	(59,351)	(60,830)
Reserves	(639)	(533)	-	-
	(2,153)	1,828	3,264	1,785
Non-controlling interests	(738)	(1,318)	-	-
TOTAL EQUITY	(2,891)	510	3,264	1,785
TOTAL EQUITY AND LIABILITIES	16,451	21,890	21,257	16,954

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	Q3 2015 S\$'000	Q3 2014 S\$'000
Cash flows from operating activities:		
Loss before Tax	(2,071)	(4,694)
Adjustments for:		
Depreciation expense	363	802
Interest income	(30)	(31)
Interest expense	(13)	2
Fair value adjustment on financial assets & financial liabilities	2	6
Share of loss / (profit) of associates	(106)	(327)
Write back of provision for reinstatement cost	184	-
Loss on disposal of Fixed Assets	261	-
Fixed Assets written off	439	1
Fixed Assets impairment	(53)	1,970
Bad Debts written off	128	23
Bad Debts recovered	-	(1)
Provision for impairment of doubtful debts	(166)	447
Unrealised exchange loss / (gain)	(28)	(1)
Impairment loss on other investments/associates	-	38
Operating loss before working capital changes	(1,090)	(1,765)
Trade and other receivables	179	1,304
Inventories	118	(42)
Trade and other payables	624	1,169
Cash from operations	(169)	666
Income tax paid	(141)	(41)
Net cash from used in operating activities	(310)	625
Cash flows from investing activities:		
Proceeds from disposal of plant and equipment	155	22
Purchase of property, plant and equipment	(177)	(72)
Investment in associates	-	(80)
Net cash inflow on disposal of asset classified as held for sale	-	1,044
Interest received	0	1
Net cash (used in)/from investing activities	(22)	915
Cash flows from financing activities:		
Capital contribution from non-controlling interest of subsidiary	-	17
Repayment of finance leases	(15)	(18)
Interest paid	13	(2)
Dividends paid	-	(384)
Net cash used in financing activities	(2)	(387)
Net increase / (decrease) in cash and cash equivalents	(334)	1,153
Effect of exchange rate changes on cash and cash equivalents	1	1
Cash and cash equivalents at beginning of period	1,730	2,106
Cash and cash equivalents at end of period	1,397	3,260

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				
					Other reserves, total	Reserve of disposal group	Foreign currency translation reserve	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
Opening balance at 1 Jul 2015	(772)	228	62,615	(61,798)	(589)	(337)	(205)	(47)	(1,000)
Profit / (loss) for the period	(2,198)	(2,331)	0	(2,331)	0	0	0	0	133
Other comprehensive expense for the year	79	(50)	0	0	(50)	(49)	(1)	0	129
Total comprehensive expense for the year	(2,119)	(2,381)	0	(2,331)	(50)	(49)	(1)	0	262
Closing balance at 30 Sept 2015	(2,891)	(2,153)	62,615	(64,129)	(639)	(386)	(206)	(47)	(738)
Opening balance at 1 July 2014	4,576	6,796	62,615	(55,803)	(16)	31	-	(47)	(2,220)
Loss for the period	(4,746)	(4,533)	-	(4,533)	-	-	-	-	(213)
Other comprehensive income/ (expense) for the period	18	36	-	-	36	36	-	-	(18)
Total comprehensive expense for the period	(4,728)	(4,497)	-	(4,533)	36	36	0	-	(231)
Dividend paid	(384)	(384)	-	(384)	-	-	-	-	-
Acquisition of a subsidiary	1,836	-	-	-	-	-	-	-	1,836
Closing balance at 30 September 2014	1,300	1,915	62,615	(60,720)	20	67	-	(47)	(615)

Company	Equity, Total	Share Capital	Retained earning
	S\$'000	S\$'000	S\$'000
Opening balance at 1 July 2015	3,893	62,615	(58,722)
Profit/ (loss) for the period	(629)	0	(629)
Total comprehensive income/ (expense) for the period	(629)	0	(629)
Closing balance at 30 September 2015	3,264	62,615	(59,351)
Opening balance at 1 July 2014	11,080	62,615	(51,535)
Profit/ (loss) for the period	(1,130)	0	(1,130)
Total comprehensive expense for the period	(1,130)	0	(1,130)
Dividend refund	38	0	38
Closing balance at 30 September 2014	9,988	62,615	(52,627)

- 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 July	573,742,933	62,615	573,742,933	62,615
As at 30 September	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 September 2015 and 30 September 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.**

	30/09/2015	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.**

Not applicable as there were no treasury shares issued by the Company.

- 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 auditor.

- 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.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited 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.

	Third Quarter		Year-To-Date	
	Q3 2015	Q3 2014	30/09/2015	30/09/2014
Loss per ordinary share of the group, after deducting any provision for preference dividends:				
Basic earnings per share ⁽¹⁾	-0.41 cents	-0.79 cents	-0.48 cents	-0.45 cents
On a fully diluted basis ⁽¹⁾	-0.41 cents	-0.79 cents	-0.48 cents	-0.45 cents

⁽¹⁾ Computed based on the net loss attributable to owners of the parent company divided by the weighted average number of ordinary shares.

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	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Net asset value per ordinary share ⁽¹⁾	-0.50 cents *	0.08 cents	0.57 cents	0.31 cents

⁽¹⁾ Computed based on the shareholders' equity divided by number of ordinary share of 573,742,933 ordinary shares.

*The proposed disposal of the business and assets relating to Pacific Healthcare Imaging as announced to SGX-NET on 3 August 2015 will result in a profit of S\$1.98m and change the net asset value from -\$2.89m to -\$0.91m or -0.16 cents per ordinary share.

- 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 September 2015 ("Q3 2015") declined by 4% from S\$12.5m to S\$12.0m when compared to the corresponding period of last year ("Q3 2014"). This was mainly attributable to general decline in medical tourism and the departure of two doctors.

The decrease in other income was mainly due to the change in recognition of dividend income after PHH raised its stake in Pacific Healthcare Nursing Home Pte Ltd from 35% to 51%.

Total expenses fell by S\$3.5m for Q3 2015 vs Q3 2014. Overall operating expenses were lower in Q3 2015, mainly due to the decrease in direct costs in line with the decrease in revenue and other expenses such as bad debts and allowance for doubtful debts. Depreciation expenses decreased by 55% from S\$0.8m to S\$0.4m due to the disposal of fixed assets relating to Pacific Healthcare Imaging and fixed assets written off.

For Q3 2015, the group incurred a loss attribute to the shareholders of S\$2.3m as compare to loss of S\$4.5m in Q3 2014.

As at 30 September 2015, the Group's cash and bank balance decreased by S\$1.6m to S\$1.2m mainly due to the 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 challenging in the foreseeable future due to the strong Singapore dollar, and its impact on medical tourism.

The nursing home business continues to be robust and are running at high bed utilization rates. They provide a stable source of revenue and profitability for the Group.

The Group's turnaround plan, centered on the disposal of its loss-making facilities, is still on track. On 3 August 2015, the Group had sold its Imaging business to Lifescan Imaging Pte Ltd. The completion of the sale is expected after shareholders' approval at an EGM to be convened in due course.

The trading in the Company's securities was suspended on 3 July 2015. As announced on 3 September 2015, the Company is 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 September 2015.

13. If 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 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr. Wong Yee Kong (Andrew)
Chief Executive Officer
13 November 2015