



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

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2015

	<u>30/06/2015</u>	<u>30/06/2014</u>	<u>Increase/ (decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	14,586	13,194	10.6
Cost of sales	(10,121)	(8,734)	15.9
Gross profit	4,465	4,460	0.1
Other items of income			
Financial income	33	12	175.0
Other income	232	181	28.2
Other items of expense			
Distribution and selling expenses	(946)	(762)	24.1
Administrative expenses	(3,753)	(3,602)	4.2
Other expenses	-	(2)	(100.0)
Financial expenses	(40)	(33)	21.2
Share of results of joint venture entities	(55)	99	(155.6)
(Loss)/Profit before tax	(64)	353	(118.1)
Income tax	-	16	(100.0)
(Loss)/Profit for the period	(64)	369	(117.3)
Other comprehensive income:			
Foreign currency translation	(43)	-	N.M
Total comprehensive income for the period	(107)	369	(129.0)
(Loss)/Profit attributable to:			
Owners of the Company	(240)	136	(276.5)
Non-controlling interests	176	233	(24.5)
	(64)	369	(117.3)
Total comprehensive income attributable to:			
Owners of the Company	(283)	136	(308.1)
Non-controlling interests	176	233	(24.5)
	(107)	369	(129.0)

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

	<u>30/06/2015</u>	<u>30/06/2014</u>	<u>Increase/ (decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Depreciation and amortisation	482	574	(16.0)
Operating lease expenses	1,363	1,373	(0.7)
Personnel expenses [Note (a)]	4,927	4,088	20.5
Gain on disposal of property, plant and equipment	(59)	(58)	1.7
Gain on disposal of joint venture entity	-	(99)	(100.0)

Note (a): Includes directors' and key management personnel remuneration.

N.M – Not meaningful.

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

	<u>Group</u>		<u>Company</u>	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	2,765	2,237	62	47
Investment in subsidiaries	-	-	2,782	2,782
Investment in joint ventures	1,598	509	1,689	567
Other receivables	336	336	336	336
Deferred tax assets	427	427	-	-
	<u>5,126</u>	<u>3,509</u>	<u>4,869</u>	<u>3,732</u>
Current assets				
Inventories	903	1,001	-	-
Trade receivables	982	826	-	-
Prepayments	352	254	72	173
Other receivables	1,136	771	685	393
Due from related companies	-	-	7,198	4,309
Cash and cash equivalents	7,866	7,266	5,524	4,740
	<u>11,239</u>	<u>10,118</u>	<u>13,479</u>	<u>9,615</u>
Total assets	<u>16,365</u>	<u>13,627</u>	<u>18,348</u>	<u>13,347</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	1,578	1,794	2	2
Other payables and accruals	2,288	2,210	281	372
Due to related companies	-	-	3,997	3,174
Obligations under finance leases	75	85	-	-
Loans and borrowings	971	1,807	971	1,807
Income tax payable	32	67	-	-
	<u>4,944</u>	<u>5,963</u>	<u>5,251</u>	<u>5,355</u>
Net current assets	6,295	4,155	8,228	4,260
Non-current liabilities				
Obligations under finance leases	73	102	-	-
Loans and borrowings	560	-	560	-
Provisions	188	170	15	15
Deferred tax liabilities	31	31	-	-
	<u>852</u>	<u>303</u>	<u>575</u>	<u>15</u>
Total liabilities	<u>5,796</u>	<u>6,266</u>	<u>5,826</u>	<u>5,370</u>
Net assets	<u>10,569</u>	<u>7,361</u>	<u>12,522</u>	<u>7,977</u>
<u>Equity attributable to owners of the Company</u>				
Share capital	18,705	15,240	18,705	15,240
Share option reserve	72	72	72	72
Foreign currency translation reserve	(43)	-	-	-
Retained earnings	(8,644)	(8,404)	(6,255)	(7,335)
	<u>10,090</u>	<u>6,908</u>	<u>12,522</u>	<u>7,977</u>
Non-controlling interests	479	453	-	-
Total equity	<u>10,569</u>	<u>7,361</u>	<u>12,522</u>	<u>7,977</u>
Total equity and liabilities	<u>16,365</u>	<u>13,627</u>	<u>18,348</u>	<u>13,347</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

At 30/06/2015		At 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,032	14	85	1,807

Amount repayable after one year

At 30/06/2015		At 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
633	-	102	-

Details of any collateralSecured bank loans

Bank loans amounting to S\$1,517,000 (31/12/2014: S\$Nil) are secured by the Group's fixed deposits of S\$1,702,000 (31/12/2014: S\$Nil).

Obligations under finance leases

Obligations under finance leases amounting to S\$148,000 (31/12/2014: S\$187,000) are secured by the Group's medical equipment with carrying amount of approximately S\$183,000 (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

	30/06/2015 \$'000	30/06/2014 \$'000
(Loss)/Profit before tax	(64)	353
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	482	574
Interest income	(33)	(12)
Interest expense	40	33
Gain on disposal of property, plant and equipment	(59)	(58)
Gain on disposal of joint venture entity	-	(99)
Share of results of joint venture entities	55	-
Total adjustments	485	438
Operating profit before working capital change	421	791
<u>Change in working capital</u>		
Decrease/(increase) in:		
Inventories	98	(70)
Trade and other receivables	(521)	(216)
Prepayments	(98)	40
Increase/(decrease) in:		
Trade payables	(216)	86
Other payables and accruals	(138)	31
Total change in working capital	(875)	(129)
Cash flow (used in)/generated from operations	(454)	662
Interest received	33	12
Interest paid	(40)	(33)
Income taxes paid	(35)	(27)
Net cash flows (used in)/generated from operating activities	(496)	614
Cash flows from investing activities		
Purchase of property, plant and equipment	(933)	(367)
Proceeds from disposal of property, plant and equipment	-	792
Investment in joint venture entities	(1,121)	(467)
Proceeds from disposal of joint venture entity	-	450
Net cash flows (used in)/generated from investing activities	(2,054)	408
Cash flows from financing activities		
Dividends paid to non-controlling interests	-	(198)
Acquisition of non-controlling interests	-	(1,040)
Proceeds from issuance of shares	3,839	7,651
Share issuance expenses	(374)	(274)
Proceeds from loans and borrowings	-	1,500
Redemption of redeemable convertible preference shares ("RCPS")	-	(7,495)
Repayment of loans and borrowings	(276)	(1,944)
Deposits pledged for bank borrowings	(1,702)	-
Repayment under finance leases	(39)	(94)
Net cash flows generated from/(used in) financing activities	1,448	(1,894)
Net decrease in cash and cash equivalents	(1,102)	(872)
Cash and cash equivalents at the beginning of financial period	7,266	4,573
Cash and cash equivalents at the end of financial period	6,164	3,701

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

	30/06/2015	30/06/2014
	\$'000	\$'000
Cash and cash equivalents as stated in the consolidated balance sheet	7,866	3,701
Less: Deposits pledged for bank borrowings	(1,702)	-
Cash and cash equivalents as stated in the consolidated statement of cash flow	<u>6,164</u>	<u>3,701</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	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
At 1 January 2015	15,240	-	72	-	(8,404)	6,908	453	7,361
(Loss)/Profit for the period	-	-	-	-	(240)	(240)	176	(64)
Foreign currency translation differences	-	-	-	(43)	-	(43)	-	(43)
Total comprehensive income for the period	-	-	-	(43)	(240)	(283)	176	(107)
Issue of shares	3,839	-	-	-	-	3,839	-	3,839
Share issuance expenses	(374)	-	-	-	-	(374)	-	(374)
Dividend on ordinary shares	-	-	-	-	-	-	(150)	(150)
At 30 June 2015	18,705	-	72	(43)	(8,644)	10,090	479	10,569
At 1 January 2014	2,594	371	-	-	(7,186)	(4,221)	1,049	(3,172)
Profit for the period	-	-	-	-	136	136	233	369
Total comprehensive income for the period	-	-	-	-	136	136	233	369
Issue of shares	7,651	-	-	-	-	7,651	-	7,651
Share issuance expenses	(274)	-	-	-	-	(274)	-	(274)
Dividends on ordinary shares	-	-	-	-	-	-	(198)	(198)
De-recognition of equity component of RCPS	-	(371)	-	-	-	(371)	-	(371)
Acquisition of interests in subsidiaries to non-controlling interests	900	-	-	-	(1,345)	(445)	(641)	(1,086)
At 30 June 2014	10,871	-	-	-	(8,395)	2,476	443	2,919

Company	Share capital	Equity component of RCPS	Share option reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2015	15,240	-	72	(7,335)	7,977
Total comprehensive income for the period	-	-	-	1,080	1,080
Issue of shares	3,839	-	-	-	3,839
Share issuance expenses	(374)	-	-	-	(374)
At 30 June 2015	18,705	-	72	(6,255)	12,522
At 1 January 2014	2,594	371	-	(5,302)	(2,337)
Total comprehensive income for the period	-	-	-	(190)	(190)
Issue of shares	7,651	-	-	-	7,651
Share issuance expenses	(274)	-	-	-	(274)
De-recognition of equity component of RCPS	-	(371)	-	-	(371)
Acquisition of interests in subsidiaries from non-controlling interests	900	-	-	-	900
At 30 June 2014	10,871	-	-	(5,492)	5,379

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 expenses (note 3)	-	(374)	-	(274)
Issued for acquisition of non-controlling interest in a subsidiary (note 4)	-	-	5,360	900
At 30 June	276,029	18,705	223,964	10,871

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 issued shares of the Company has increased from 250,935,000 to 276,028,500.

Note 2

The Company had on 13 January 2014 lodged an Offer Information Statement with 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 issued shares of the Company had 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 Shares issued and allotted on 14 November 2014 in accordance with the placement agreements entered into with subscribers on 4 November 2014 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.

Share Option

The SMG Share Option Scheme (“SSOS”) was approved by the shareholders at the Extraordinary General Meeting on 30 April 2014. During the financial period from January to June 2015, no share options were granted or exercised under the SSOS. As at 30 June 2015, the number of shares that may be issued on conversion of all the outstanding share options was 5,530,000 (30/06/2014: 4,750,000).

The movement of share options of the Company during the financial period from January to June 2015 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 30/06/2015	Expiry date
12/05/2014	S\$0.173	4,750,000	-	-	-	4,750,000	11/05/2019
20/08/2014	S\$0.185	780,000	-	-	-	780,000	19/08/2019
		<u>5,530,000</u>	-	-	-	<u>5,530,000</u>	

Save as disclosed above, there were no other outstanding options and convertibles 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.

	<u>As at 30/06/2015</u>	<u>As at 31/12/2014</u>
Total number of issued shares (excluding treasury shares)	<u>276,028,500</u>	<u>250,935,000</u>

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 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 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).**

	Group	
	30/06/2015	30/06/2014
Net (loss)/profit attributable to the owners of the Company (\$'000)	(240)	136
(Loss)/Earnings per share (cents per share)		
- Basic	(0.09)	0.07
- Diluted	(0.09)	0.06

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

The basic earnings per share for the financial period ended 30 June 2014 is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 209,036,548. The diluted earnings per share for the financial period ended 30 June 2014 is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 217,354,128. The weighted average number of ordinary shares for diluted earnings per share computation has taken into consideration the share options granted to the redeemable convertible preference shares holder prior to the redemption in February 2014. 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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share (cents)	3.83	2.93	4.54	3.18

Net asset value per ordinary share is calculated based on 276,028,500 and 250,935,000 ordinary shares outstanding as at 30 June 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 six-month financial period ended 30 June 2015 ("HY2015"), the Group's revenue increased by 10.6% from S\$13.2 million for the six-month financial period ended 30 June 2014 ("HY2014") to S\$14.6 million. The increase was mainly due to the increase in revenue from oncology and eye clinics.

Gross profit has remained consistent at S\$4.5 million for both HY2015 and HY2014 as a result of higher cost of sales. The increase in cost of sales were mainly due to increase in revenue, increase in doctor headcount and set-up costs incurred as a result of the opening of 3 new clinics during the financial period. 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; and
- (iii) The otolaryngology clinic at The Paragon which commenced operations in May 2015.

Distribution and selling expenses increased by 24.1% from S\$0.8 million for HY2014 to S\$0.9 million for HY2015 mainly due to increase in marketing expenses to promote existing/new services and clinics.

Administrative expenses increased by 4.2% from S\$3.6 million for HY2014 to S\$3.8 million for HY2015. This is mainly due to increase in staff headcount with the opening of 3 new clinics during the financial period and is offset by a lower depreciation charged for the financial period.

For the Group's share of results of joint venture entities, the Group recorded a net loss of approximately S\$55,000 for HY2015 from its investments in PT Ciputra SMG, MindChamps Medical Pte Limited and SMG Leaders Pte. Ltd., as compared to a gain of approximately S\$99,000 for HY2014 arising from the disposal of the Group's investment in a China joint venture entity in April 2014.

Overall, the Group incurred a net loss of S\$0.1 million for HY2015 compared to a net profit of \$0.4 million in HY2014.

Consolidated Balance Sheet

Non-current assets increased by S\$1.6 million from S\$3.5 million as at 31 December 2014 to S\$5.1 million as at 30 June 2015, mainly due to increase in property, plant and equipment of S\$0.5 million as a result of new assets additions offset by depreciation charged during the financial period, and increase in investment in joint ventures mainly arising from 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) in January 2015 and the setting up of a new joint venture entity, SMG Leaders Pte. Ltd., with Sansung Life & Science Co., Ltd amounting to S\$0.7 million during the financial period.

Current assets increased by S\$1.1 million from S\$10.1 million as at 31 December 2014 to S\$11.2 million as at 30 June 2015 mainly due to increase in cash and cash equivalents by S\$0.6 million, increase in trade receivables by S\$0.2 million and increase in other receivables by S\$0.4 million.

Current liabilities decreased by S\$1.1 million from S\$6.0 million as at 31 December 2014 to S\$4.9 million as at 30 June 2015, mainly due to decrease in trade payables of S\$0.2 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 period.

Non-current liabilities increased by S\$0.6 million from S\$0.3 million as at 31 December 2014 to S\$0.9 million as at 30 June 2015, mainly due to the reclassification of a portion of the loans and borrowings from current to non-current during the financial period.

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

Cash Flow Statement

Net cash flows used in operating activities of S\$0.5 million arise mainly due to the outflow of working capital of S\$0.9 million offset by the operating profit before working capital changes of S\$0.4 million.

Net cash flows used in investing activities of S\$2.1 million were attributed to the acquisition of property, plant and equipment and investment in joint venture entities where the Group had subscribed additional new shares in PT Ciputra SMG and set-up a new joint venture entity, SMG Leaders Pte. Ltd.

Net cash flows generated from financing activities of S\$1.4 million were mainly due to the proceeds from the issuance of shares through the 2015 Rights Issue of S\$3.8 million less share issuance expenses of S\$0.4 million, offset by deposits of S\$1.7 million pledged to a bank to secure a bank loan and repayment of loans and borrowings of S\$0.3 million.

Cash and cash equivalents ended at S\$6.2 million as at 30 June 2015, compared to S\$3.7 million as at 30 June 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 Group expects the overall private healthcare industry to remain challenging in the next 12 months given the slowdown in medical tourism due to the strong Singapore dollar and economic conditions in countries such as Indonesia and Malaysia which are the traditional source of international patients. Despite the above, as part of the Group's initiatives to bring the Group to a stronger financial position, new services in family medicine, dermatology and otolaryngology were introduced in the first half of 2015. The Group is cautiously optimistic moving forward.

The Group will continue to grow its existing business and introduce new and relevant medical technologies to its existing facilities. It will seek to expand its range of medical specialties and services by bringing on board new medical specialists, and develop partnerships and business ventures with external parties. The Group will also explore opportunities to bring its services to the region.

New clinics are expected to be opened within the next 6 months with the introduction of new medical specialties, the new Korean branded aesthetics clinic, a joint venture with Samsung Life & Science Co., Ltd, and the new family medicine clinic by MindChamps Medical Pte Limited, a joint venture entity of the Group, and the Group's investment in Lifescan Imaging Pte. Ltd. ("LSI") which will operate a radiology business.

11. Dividend

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the six-month financial period ended 30 June 2015.

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review	
	30/06/2015 S\$'000	30/06/2014 S\$'000
K S Beng Pte Ltd		
- Rental (note 1)	81	81
- Professional fees (note 2)	165	77

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

Note 2: The amount was paid to the interested person as professional fees in relation to medical services rendered by the interested person to a subsidiary of the Company.

14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the six-month financial period ended 30 June 2015 presented in this announcement, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Beng Teck Liang
Chief Executive Officer

14 August 2015

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 Catalyst. 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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