



**HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE PERIOD ENDED 30 JUNE 2008**

**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 half year (six months) ended 30 June 2008.

	Group		
	S\$'000		%
	6 Months ended 30/06/2008	6 Months ended 30/06/2007	Increase/ (Decrease)
Revenue	39,710	36,219	9.6
<u>Other items of income</u>			
Interest income	158	271	(41.7)
Other income	3,792	1,378	175.2
<u>Items of expense</u>			
Financial expense	(704)	(1,112)	(36.7)
Changes in inventories of consumables and medical supplies	(95)	467	NM
Purchases of consumables and medical supplies	(7,780)	(7,026)	10.7
Employee benefits expense	(20,858)	(18,931)	10.2
Depreciation and amortisation	(2,113)	(1,762)	19.9
Rental expense	(3,672)	(2,619)	40.2
Other expenses	(4,139)	(4,124)	0.4
Share of results of associates	(265)	646	NM
Profit before tax	4,034	3,407	18.4
Income tax expense	(314)	(524)	(40.1)
Profit for the period	3,720	2,883	29.0
Attributable to:			
Equity holders of the Company	2,490	2,787	(10.7)
Minority interests	1,230	96	NM
Profit for the period	3,720	2,883	29.0

NM: Not Meaningful

1(a)(ii)

	Group	
	S\$'000	
	6 Months ended 30/06/2008	6 Months ended 30/06/2007
<u>Interest income:</u>		
Interest income		
- outside parties	158	271
<u>Other income:</u>		
Gain on disposal of subsidiaries	2,916	1,085
Gain on disposal of associates	9	-
Excess of net assets acquired over cost	76	-
Compensation for breach of contract	73	88
Other income	718	205
	3,792	1,378
<u>Financial expense:</u>		
Allowance for impairment of doubtful trade receivables	(144)	(241)
Bad trade receivables recovered / (written off)	45	(1)
Interest expense	(590)	(848)
Foreign exchange transaction losses	(15)	(22)
	(704)	(1,112)
<u>Depreciation and amortisation:</u>		
Depreciation of plant and equipment	(2,043)	(1,692)
Amortisation of intangible assets	(70)	(70)
	(2,113)	(1,762)

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	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	14,645	20,165	4,788	7,577
Trade and other receivables	21,763	21,146	20,420	17,313
Other assets	1,710	2,566	287	320
Inventories	2,408	2,462	13	13
Asset classified as held for sale	-	302	-	-
	40,526	46,641	25,508	25,223
Non-current assets:				
Investments in subsidiaries	-	-	34,610	34,268
Investments in associates	2,383	3,942	40	1,360
Other investments	2,692	2,403	2,635	2,290
Property, plant and equipment	23,310	20,638	4,030	4,042
Goodwill	21,362	20,929	-	-
Intangible assets	6,205	6,276	-	-
Other receivables	397	547	-	-
Other assets	6,217	5,727	24	42
	62,566	60,462	41,339	42,002
TOTAL ASSETS	103,092	107,103	66,847	67,225
EQUITY AND LIABILITIES				
Current liabilities:				
Trade and other payables	11,609	13,646	6,870	7,270
Other liabilities	2,418	3,247	507	609
Income tax payable	581	720	-	-
Current portion of long-term borrowings	8,820	8,645	7,259	7,010
Current portion of finance leases	1,795	1,900	473	126
	25,223	28,158	15,109	15,015
Non-current liabilities:				
Deferred tax liabilities	1,983	1,901	34	34
Other payables	84	139	83	139
Provisions	932	932	355	355
Long-term borrowings	7,900	10,762	6,950	9,073
Finance leases	1,064	579	639	116
	11,963	14,313	8,061	9,717
TOTAL LIABILITIES	37,186	42,471	23,170	24,732
Equity attributable to equity holders of the Company:				
Share capital	39,252	39,252	39,252	39,252
Foreign currency translation reserve	(1,041)	(568)	-	-
Retained earnings	20,281	18,914	4,425	3,241
	58,492	57,598	43,677	42,493
Minority interests	7,414	7,034	-	-
TOTAL EQUITY	65,906	64,632	43,677	42,493
TOTAL EQUITY AND LIABILITIES	103,092	107,103	66,847	67,225

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

Amount repayable in one year or less, or on demand

As at 30/06/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,733	7,882	2,855	7,690

Amount repayable after one year

As at 30/06/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,014	6,950	1,985	9,356

Details of any collateral

As at 30 June 2008, the secured Group borrowings refer to assets acquired under hire purchase and finance leases.

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	
	S\$'000	
	6 Months ended 30/06/2008	6 Months ended 30/06/2007
Cash flows from operating activities:		
Profit before tax	4,034	3,407
Adjustments for:		
Depreciation expense	2,043	1,692
Interest income	(158)	(167)
Interest expense	590	848
Fair value adjustment on financial assets and financial liabilities	-	(104)
Preliminary expenses written off	24	-
Bad trade receivables written off	-	1
Allowance for impairment of trade receivables	144	241
Share of results of associates	265	(646)
Goodwill impairment	-	200
Amortisation of intangible assets	70	70
Excess of net assets acquired over cost	(76)	-
Loss on disposal of plant and equipment	22	1
Gain on disposal of subsidiaries	(2,916)	(1,085)
Gain on disposal of associates	(9)	-
Unrealised exchange loss	32	16
Operating cash flows before changes in working capital	4,065	4,474
Cash restricted in use	-	17
Trade and other receivables	3,171	2,607
Inventories	95	(467)
Trade and other payables	(3,074)	832
Cash flows from operations	4,257	7,463
Income tax paid	(371)	(724)
Net cash flows from operating activities	3,886	6,739
Cash flows from investing activities:		
Purchase consideration paid for purchase of subsidiaries	(60)	(385)
Purchase of plant and equipment	(3,608)	(1,879)
Net cash outflow on disposal of subsidiaries / business units	(1)	-
Net cash inflow on acquisition of subsidiaries / business units	447	-
Acquisition of additional interests in subsidiaries	(651)	(1,309)
Interest received	60	160
Net increase in other investments	-	(4)
Net cash flows used in investing activities	(3,813)	(3,417)

	Group	
	S\$'000	
	6 Months ended 30/06/2008	6 Months ended 30/06/2007
Cash flows from financing activities:		
Proceeds from issuance of shares	-	12,410
Repayment of borrowings	(2,682)	(2,921)
Repayment of obligation under finance leases	(1,148)	(1,220)
Interest paid	(590)	(848)
Dividend paid	(1,123)	(1,376)
Net cash flows (used in) / from financing activities	(5,543)	6,045
Net (decrease) / increase in cash and cash equivalents	(5,470)	9,367
Effect of exchange rate changes on cash and cash equivalents	(50)	320
Cash and cash equivalents at beginning of year	19,910	9,683
Cash and cash equivalents at end of year	14,390	19,370
Cash as disclosed in balance sheet	14,645	19,436
Less: Cash restricted in use	(255)	(66)
Cash and cash equivalents at end of year	14,390	19,370

The group acquired certain subsidiaries during the year. The transactions were accounted for by the purchase method of accounting. The fair values of assets and liabilities acquired were as follows:

	Group	
	S\$'000	
	6 Months ended 30/06/2008	6 Months ended 30/06/2007
Cash and cash equivalents	1,829	-
Trade and other receivables	44	-
Inventories	41	-
Plant and equipment	42	-
Goodwill	236	-
Excess of net assets acquired over cost	(76)	-
Trade and other payables	(220)	-
Minority interests	(514)	-
Net assets acquired	1,382	-
Consideration	1,382	-
Less: Net cash acquired	(1,829)	-
Net cash inflow on acquisition of subsidiaries / business units	(447)	-

The group sold certain subsidiaries and business unit during the year. The net assets at the date of disposal were as follows:

	Group	
	S\$'000	
	6 Months ended 30/06/2008	6 Months ended 30/06/2007
Cash and cash equivalents	1	-
Trade and other receivables	258	-
Goodwill	26	-
Asset classified as held for sale	302	-
Trade and other payables	(7)	-
Minority interests	(1,180)	-
Net assets at date of disposal	(600)	-
Gain on disposal recognised in income statement	2,916	-
Cash consideration	2,316	-
Receivables	(2,316)	-
Cash balance disposed off	(1)	-
Net cash outflow on disposal of subsidiaries / business units	(1)	-

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	Share capital	Foreign exchange translation reserve	Retained earnings	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2008	39,252	(568)	18,914	57,598	7,034	64,632
Exchange difference on translating foreign operations	-	(473)	-	(473)	214	(259)
Net (expense) and income recognised directly in equity	-	(473)	-	(473)	214	(259)
Profit for the period	-	-	2,490	2,490	1,230	3,720
Total recognised (expense) and income for the period	-	(473)	2,490	2,017	1,444	3,461
Acquisition of additional interest in subsidiaries	-	-	-	-	(398)	(398)
Business combinations	-	-	-	-	514	514
Disposal of subsidiaries	-	-	-	-	(1,180)	(1,180)
Dividends paid	-	-	(1,123)	(1,123)	-	(1,123)
Closing balance at 30 June 2008	39,252	(1,041)	20,281	58,492	7,414	65,906
Opening balance at 1 January 2007	26,842	(596)	15,397	41,643	4,940	46,583
Exchange difference on translating foreign operations	-	219	-	219	21	240
Net income recognised directly in equity	-	219	-	219	21	240
Profit for the period	-	-	2,787	2,787	96	2,883
Total recognised income for the period	-	219	2,787	3,006	117	3,123
Issue of share capital	13,020	-	-	13,020	-	13,020
Share issue expenses	(610)	-	-	(610)	-	(610)
Dividends paid	-	-	(1,376)	(1,376)	-	(1,376)
Closing balance at 30 June 2007	39,252	(377)	16,808	55,683	5,057	60,740

Company	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2008	39,252	3,241	42,493
Profit for the period	-	2,307	2,307
Total recognised income for the period	-	2,307	2,307
Dividends paid	-	(1,123)	(1,123)
Closing balance at 30 June 2008	39,252	4,425	43,677
Opening balance at 1 January 2007	26,842	4,835	31,677
Profit for the period	-	188	188
Total recognised income for the period	-	188	188
Issue of share capital	13,020	-	13,020
Share issue expenses	(610)	-	(610)
Dividends paid	-	(1,376)	(1,376)
Balance at 30 June 2007	39,252	3,647	42,899

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.

On 2 February 2007, the Company issued 42,000,000 ordinary shares at S\$0.31 per share pursuant to a share placement exercise.

	Number of Ordinary Shares	Share Capital S\$'000
Balance at 1 January 2007	238,803,046	26,842
Issue of Shares	42,000,000	12,410
Balance at 30 June 2007 and 30 June 2008	280,803,046	39,252

Pursuant to announcements made on 6 November 2007 and 29 November 2007, 56,160,599 Bonus Warrants were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited on 30 November 2007 at an exercise price of S\$0.39. These Bonus Warrants are exercisable between 1 June 2008 to 26 November 2010. When fully exercised, an additional capital of S\$21,902,634 will be raised resulting a total paid up capital of S\$61,154,740.

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 2008 and 30 June 2007.

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.

	30/06/2008	31/12/2007
Number of issued shares excluding treasury shares	280,803,046	280,803,046

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 2008 (31 December 2007: Nil) as the Company did not have any treasury shares as at 30 June 2008 and 31 December 2007.

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

The half-year financial statement on consolidated results for the period ended 30 June 2008 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 half-year ended 30 June 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007.

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.

	Group	
	6 months ended 30/06/2008	6 months ended 30/06/2007
Earnings per ordinary share of the group, after deducting any provision for preference dividends:		
(a) Based on weighted average number of ordinary shares on issue; and	0.89 cents	1.02 cents
(b) On a fully diluted basis	0.89 cents	1.02 cents

The basic and fully diluted earnings per share above has been calculated based on the profit attributable to shareholders of S\$2,490,000 (30 June 2007: S\$2,787,000) and the weighted average number of ordinary shares in issue during the financial period of 280,803,046 shares (30 June 2007: 273,377,632 shares).

For the purpose of calculating the fully diluted earnings per share for the period ended 30 June 2008, the effect of the warrants are anti-dilutive and is disregarded.

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	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
Net asset value per ordinary share	20.83 cents	20.51 cents	15.55 cents	15.13 cents

The net asset value per share of the Group has been calculated based on the shareholders' equity of S\$58,492,000 (31 December 2007: S\$57,598,000) and 280,803,046 shares (31 December 2007: 280,803,046 shares).

The net asset value per share of the Company has been calculated based on the shareholders' equity of S\$43,677,000 (31 December 2007: S\$42,493,000) and 280,803,046 shares (31 December 2007: 280,803,046 shares).

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.**

Income Statement

The Group's revenue for the half year ended 30 June 2008 ("1H2008") increased 9.6% to S\$39.7 million from S\$36.2 million for the half year ended 30 June 2007 ("1H2007"). Revenue from the Specialist Healthcare Division and Dentistry unit contributed largely to the Group's growth.

The profit attributable to shareholders decreased by 10.7% to S\$2.5 million from S\$2.8 million. The difference was mainly due to increase in rental expenses, higher staff costs and operational expenses relating to the start up of a new specialist centre. There was also reduced contribution from associates due to absence of exceptional gain when compared to 1H2007.

Balance Sheet and Cash Flow Statement

Despite an increase in cash flows from operating activities of S\$3.9 million, there was a decrease in cash and cash equivalents mainly due to the following:

- Purchase of plant and equipment of S\$3.6 million;
- Repayment of borrowings and obligations under finance leases of S\$3.8 million;
- Payment of dividend of S\$1.1 million.

The decrease in Investment in associates was mainly due to the divestment of our interest in Pacific Hospital Consultants Pte Ltd and dilution of our interest in Pacific Eldercare and Nursing Pte Ltd from investment in associates to other investments.

The increase in property, plant and equipment was mainly due to purchase of new medical equipments.

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 Group's strategy has been to maintain its focus on areas which have been its core competencies and which have consistently returned strong results. However, the difficult global economic outlook predicted for the rest of the year will remain a challenge for all companies. The Group will continue to grow its specialist healthcare division and increase its range of specialties. It will also continue to invest in advanced medical technologies, as well as intensify marketing efforts to improve inflows of foreign patients.

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? **Yes**

Name of Dividend	Interim dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	Tax-exempt (One-Tier) dividend of 0.30 cents per ordinary share
Tax Rate	Tax-exempt (One-Tier)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the half-year ended 30 June 2008.

13. Confirmation pursuant to Rule 705(4) of the Listing Manual.

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the half-year ended 30 June 2008 to be false or misleading in any material aspect.

14. Reclassifications and Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The reclassifications included the following:

Group	After reclassification	Before reclassification	Difference
	S\$'000	S\$'000	S\$'000
Income statement:			
Revenue	36,219	36,424	(205)
Financial income	-	271	(271)
Interest income	271	-	271
Other income	1,378	-	1,378
Changes in inventories of consumables and medical supplies	467	(467)	934
Purchases of consumables and medical supplies	(7,026)	(6,092)	(934)
Gain on disposal of subsidiaries	-	1,085	(1,085)
Other credits / (charges)	-	89	(89)
Depreciation and amortisation	(1,762)	(1,970)	208
Rental expense	(2,619)	-	(2,619)
Other expenses	(4,124)	(6,536)	2,412
			0

BY ORDER OF THE BOARD

Dr William Chong Lai Leong
Executive Director and Chief Executive Officer
8 August 2008