

TMC EDUCATION CORPORATION LTD
(Incorporated in the Republic of Singapore)
Co. Reg. No.200507226K

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016 ("HY2017")

	The Group		
	Unaudited HY2017 S\$'000	Unaudited HY2016 S\$'000	% Change Increase/ (Decrease)
Revenue	2,046	3,269	(37.4%)
Other income	192	330	(41.8%)
<i>Operating expenses:</i>			
Course materials and subscriptions	(168)	(256)	(34.4%)
Staff costs	(2,199)	(2,496)	(11.9%)
Plant and equipment, investment properties and related expenses	(201)	(382)	(47.4%)
Advertising and promotion	(149)	(193)	(22.8%)
Operating lease expenses	(628)	(1,296)	(51.5%)
Other expenses	(622)	(763)	(18.5%)
	(3,967)	(5,386)	(26.3%)
Finance costs	(106)	(90)	17.8%
Loss before taxation	(1,835)	(1,877)	2.3%
Taxation	-	-	N.M.
Loss for the period	(1,835)	(1,877)	2.3%
Other comprehensive income/(expense)			
Currency translation differences - foreign operations, at nil tax	102	12	N.M.
Total comprehensive loss for the period	(1,733)	(1,865)	7.1%

N.M. – not meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016 (“HY2017”)**

	The Group		
	Unaudited HY2017 S\$'000	Unaudited HY2016 S\$'000	% Change Increase/ (Decrease)
<u>Loss for the period attributable to :</u>			
Owners of the Company	(1,834)	(1,875)	(2.2%)
Non-controlling interests	(1)	(2)	N.M.
	<u>(1,835)</u>	<u>(1,877)</u>	(2.2%)
<u>Total comprehensive loss for the period attributable to :</u>			
Owners of the Company	(1,732)	(1,863)	(7.0%)
Non-controlling interests	(1)	(2)	N.M.
	<u>(1,733)</u>	<u>(1,865)</u>	(7.1%)

*N.M. – not meaningful

Loss before income tax of the group is arrived at after charging/(crediting) the following:

	The Group		
	Unaudited HY2017 S\$'000	Unaudited HY2016 S\$'000	% Change Increase/ (Decrease)
Depreciation of plant and equipment	26	69	(62.3%)
Loss/(Gain) on disposal of plant and equipment	2	(1)	N.M.
Interest expenses	106	90	17.8%

*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.

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	The Group		The Company	
	Unaudited 31/12/2016 S\$'000	Audited 30/06/2016 S\$'000	Unaudited 31/12/2016 S\$'000	Audited 30/06/2016 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	184	175	178	167
Investment properties	17,250	17,250	17,250	17,250
Subsidiaries	-	-	5,000	2,000
	17,434	17,424	22,428	19,417
Current assets				
Trade and other receivables	296	252	315	250
Cash and cash equivalents	287	1,492	10	212
	583	1,744	325	462
Total assets	18,017	19,169	22,753	19,879
EQUITY				
Share capital	11,477	11,477	11,477	11,477
Reserves	(5,373)	(3,641)	(5,861)	(6,907)
Equity attributable to owners of the company	6,104	7,836	5,616	4,570
Non-controlling interests	(353)	(352)	-	-
Total equity	5,751	7,484	5,616	4,570
LIABILITIES				
Non-current liabilities				
Borrowings	6,691	6,753	5,122	6,753
	6,691	6,753	5,122	6,753
Current liabilities				
Trade and other payables	3,465	3,514	10,597	7,138
Provisions	150	150	150	150
Borrowings	1,960	1,268	1,268	1,268
	5,575	4,932	12,015	8,556
Total liabilities	12,266	11,685	17,137	15,309
Total equity and liabilities	18,017	19,169	22,753	19,879

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

Amount repayable in one year or less, or on demand

Unaudited 31/12/2016		Audited 30/06/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,960	-	1,268	-

Amount repayable after one year

Unaudited 31/12/2016		Audited 30/06/2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,108	4,583	1,170	5,583

Details of any collateral:

The secured borrowings of the Group are secured by mortgages over certain investment properties held by the Group and the Company.

The unsecured borrowings as at 31 December 2016 and 30 June 2016 are borrowings from a third party and two shareholders, who are also the Executive Directors of the Company, and are interest free.

- 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.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	The Group	
	Unaudited HY2017 S\$'000	Unaudited HY2016 S\$'000
Cash Flows from Operating activities		
Loss before taxation	(1,835)	(1,877)
<i>Adjustments for:</i>		
Depreciation of plant and equipment	26	69
Interest expenses	106	90
Loss/(Gain) on disposal of plant and equipment	2	(1)
Operating loss before working capital changes	(1,701)	(1,719)
Changes in operating receivables	(44)	153
Changes in operating payables	(49)	(2,148)
Cash used in operations	(1,794)	(3,714)
Income tax paid	-	-
Net cash used in operating activities	(1,794)	(3,714)
Cash Flow from Investing Activities		
Interest received	-	-
Proceeds from disposal of plant and equipment	-	11
Acquisition of plant and equipment	(37)	(210)
Net cash used in investing activities	(37)	(199)
Cash Flows from Financing Activities		
Interest paid	(106)	(90)
Proceeds from loans from shareholders	-	2,500
Proceeds from loan from a third party	-	2,000
Repayments of loan from a third party	(1,000)	-
Proceeds from bank borrowings	2,300	-
Repayments of bank borrowings	(670)	(991)
Net cash generated from financing activities	524	3,419
Net decrease in cash and cash equivalents	(1,307)	(494)
Cash and cash equivalents at beginning of the period	1,492	1,401
Effects of exchange rate changes on cash and cash equivalents	102	11
Cash and cash equivalents at end of the period	287	918

	The Group	
	Unaudited 31/12/2016 S\$'000	Unaudited 31/12/2015 S\$'000
Note to Consolidated Statement of Cash Flows		
Cash and bank balances	287	918

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.

Unaudited The Group	Equity attributable to owners of the Company					Non controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Exchange fluctuation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 July 2016	11,477	195	498	(4,334)	7,836	(352)	7,484
Loss for the period	-	-	-	(1,834)	(1,834)	(1)	(1,835)
Other comprehensive expense							
- Foreign currency translation differences	-	102	-	-	102	-	102
Total comprehensive loss for the period	-	102	-	(1,834)	(1,732)	(1)	(1,733)
At 31 December 2016	11,477	297	498	(6,168)	6,104	(353)	5,751

Unaudited The Group	Equity attributable to owners of the Company					Non controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Exchange fluctuation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 July 2015	11,477	60	498	348	12,383	(346)	12,037
Loss for the period	-	-	-	(1,875)	(1,875)	(2)	(1,877)
Other comprehensive expense							
- Foreign currency translation differences	-	12	-	-	12	-	12
Total comprehensive loss for the period	-	12	-	(1,875)	(1,863)	(2)	(1,865)
At 31 December 2015	11,477	72	498	(1,527)	10,520	(348)	10,172

Note:

No new ordinary share is issued under the TMC Share Option Scheme during HY2017 (HY2016: Nil).

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.

Unaudited The Company	Equity attributable to owners of the Company					Non controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Exchange fluctuation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 July 2016	11,477	-	498	(7,405)	4,570	-	4,570
Loss for the period	-	-	-	1,046	1,046	-	1,046
Other comprehensive expense	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	1,046	1,046	-	1,046
At 31 December 2016	11,477	-	498	(6,359)	5,616	-	5,616

Unaudited The Company	Equity attributable to owners of the Company					Non controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Exchange fluctuation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 July 2015	11,477	-	498	(2,652)	9,323	-	9,323
Loss for the period	-	-	-	(1,836)	(1,836)	-	(1,836)
Other comprehensive expense	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,836)	(1,836)	-	(1,836)
At 31 December 2015	11,477	-	498	(4,488)	7,487	-	7,487

Note:

No new ordinary share is issued under the TMC Share Option Scheme during HY2017 (HY2016: Nil).

- 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.**

There were no changes in the Company's issued share capital for the period from 30 June 2016 to 31 December 2016.

	Number of ordinary shares	Share capital \$
Issued and fully paid:		
As at 30 June 2016 and 31 December 2016	167,397,677	11,477,196

As at 31 December 2016, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was 458,096 (as at 30 June 2016: 476,966). The decrease in the number of outstanding and unexercised options as at 31 December 2016 was due mainly to the expiry of some outstanding options and cancellation of unexercised share options given to staff that had resigned in HY2017.

Save for the aforementioned TMC Share Options Scheme, the Company did not have any other outstanding convertibles as at 31 December 2016 and 31 December 2015.

The Company did not hold any treasury shares as at 31 December 2016 and 31 December 2015.

- 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.**

The total number of issued shares (excluding treasury shares) as at 31 December 2016 was 167,397,677 (as at 30 June 2016: 167,397,677).

- 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. The Company did not have any treasury shares as at 31 December 2016.

- 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 annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited consolidated financial statements for the financial year ended 30 June 2016.

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.

Except for the adoption of the Amendments to FRSs applicable for the financial year beginning on or after 1 July 2016, the same accounting policies and methods of computation have been applied. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

6. Earnings/(Loss) 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.

	The Group	
	Unaudited HY2017	Unaudited HY2016
Loss per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company :		
- on weighted average number of ordinary shares in issue (basic) (cents)	(1.10)	(1.12)
- on fully diluted basis (cents)	(1.10)	(1.12)
Weighted average number of shares in issue during the period	167,397,677	167,397,677

Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-

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

	The Group	The Company
The total number of issued shares at the end of the:		
(a) current financial period reported as at 31 December 2016	167,397,677	167,397,677
(b) immediately preceding financial year as at 30 June 2016	167,397,677	167,397,677
Net asset value per issued ordinary share (cents):		
(a) as at 31 December 2016 (Unaudited)	3.65	3.35
(b) as at 30 June 2016 (Audited)	4.68	2.73

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.**

8.1 Income statement review

Review for the performance of the Group for the half year ended 31 December 2016 ("HY2017") as compared to the half year ended 31 December 2015 ("HY2016").

In HY2017, the Group incurred a net comprehensive loss for the period amounting to \$1.73 million (HY2016: \$1.87 million), in which, the loss attributable to equity holders of the Company was \$1.84 million (HY2016: \$1.88 million), resulting in a basic loss per share of 1.10 cents (HY2016: 1.12 cents).

In HY2017, the Group has recorded a credit balance of \$102,000 in currency translation differences - foreign operations (HY2016: credit balance of \$12,000 in currency translation differences - foreign operations).

8.1.1 Revenue, other income and fair value adjustment on investment properties

The Group's revenue comprising course and examination fees for HY2017 decreased by \$1.22 million (or 37.4%) to \$2.05 million in HY2017 (HY2016: \$3.27 million). This was due mainly to the decrease in student enrolment in HY2017.

The Group's other income for HY2017 decreased by \$138,000 (or 41.8%) to \$192,000 in HY2017 (HY2016: \$330,000). This was due mainly to the decrease in rental income from investment properties by \$118,000 to \$94,000 in HY2017 (HY2016: \$212,000) following the disposal of investment properties in HY2016.

Course materials and subscriptions expenses decreased by \$88,000 (or 34.4%) to \$168,000 in HY2017 (HY2016: \$256,000). This was due mainly to lower student enrolment and decrease in programme fee payable to overseas universities in HY2017.

Staff costs decreased by \$298,000 (or 11.9%) to \$2.20 million in HY2017 (HY2016: \$2.50 million). The decrease in staff costs was in line with the reduction in staff headcount, which was attributable to lower student enrolment during HY2017 and campus consolidation exercise in HY2016.

Plant and equipment, investment properties and related expenses decreased by \$181,000 (or 47.4%) to \$201,000 in HY2017 (HY2016: \$382,000). The decrease was due mainly to the decrease in depreciation charges by \$43,000 and decrease in maintenance of plant and equipment by \$117,000 in HY2017 due to campus consolidation exercise being carried out in HY2016.

Advertising and promotion expenses decreased by \$44,000 (or 22.8%) to \$149,000 in HY2017 (HY2016: \$193,000) due mainly to the reduction in advertising through the press and print media, and more reliance on internet and social media for the advertising outreach during the financial period under review. The adoption of internet based advertising is relatively more cost effective for the business.

The Group's operating lease expenses decreased significantly by \$668,000 (or 51.5%) to \$628,000 in HY2017 (HY2016: \$1.30 million). The decrease in operating lease expenses was attributable mainly to the effect of cost savings arising from campus consolidation exercise being carried out in HY2016, i.e., closure of Bishan campus.

8.1 Income statement review (cont'd)

8.1.2 Operating expenses

Other expenses decreased by \$141,000 (or 18.5%) to \$622,000 in HY2017 (HY2016: \$763,000) due mainly to the decrease in utilities expenses subsequent to the closure of Bishan campus in HY2017 and lower student recruitment expenses and student insurance expenses incurred in HY2017, which was in line with the decrease in student enrolment.

8.1.3 Finance costs

Finance costs increased by \$16,000 (or 17.8%) to \$106,000 in HY2017 (HY2016: \$90,000). The increase in finance costs was in line with the increase in borrowings to fund the working capital of the Group.

8.1.4 Income tax expenses

No income tax expenses was incurred in HY2017 (HY2016: \$Nil) as the Group was in a tax loss position.

8.2 Balance Sheet Review

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2016 and 30 June 2016.

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to \$6.10 million as at 31 December 2016 (30 June 2016: \$7.84 million). The decrease was due mainly to the loss for the financial period attributable to the owners of the Company of \$1.83 million incurred in HY2017.

8.2.2 Non-Current Assets

Non-current assets amounted to \$17.43 million as at 31 December 2016 (30 June 2016: \$17.42 million) comprised plant and equipment of \$184,000 and investment properties of \$17.25 million.

There were no material variances in the non-current assets' balances.

8.2.3 Current Assets

Current assets amounted to \$583,000 as at 31 December 2016 (30 June 2016: \$1.75 million). The decrease in current assets by \$1.16 million was due mainly to the decrease in cash and bank balances of \$1.21 million. The decrease was partially offset by the increase in trade and other receivables by \$44,000 to \$296,000 as at 31 December 2016.

8.2.4 Current Liabilities

Current liabilities amounted to \$5.58 million as at 31 December 2016 (30 June 2016: \$4.93 million). The increase in current liabilities by \$643,000 in HY2017 was due mainly to the increase in short term bank borrowings by \$692,000 to fund the working capital of the Group. The increase was partially offset by a decrease in trade and other payables of \$49,000.

Negative working capital/net current liabilities of \$4.99 million as at 31 December 2016 (30 June 2016: \$3.19 million) was due mainly to short term bank borrowings of \$1.96 million and non-refundable course fees received in advance from students of \$1.78 million as at 31 December 2016. Course fees received in advance from students were not refundable but will only be recognised as revenue after 31 December 2016.

8.2 Balance Sheet Review (cont'd)

8.2.4 Current Liabilities (cont'd)

As at 31 December 2016, the Group has a standby credit line of \$2.7 million available from a financial institution for drawdown to meet its working capital requirements. In addition, the Group has been actively looking to realise some of its investment properties, which are valued at \$17.25 million as of 31 December 2016. These investment properties are not related to the Group's core business of provision of education related services.

8.2.5 Non-Current Liabilities

Non-current liabilities decreased by \$62,000 to \$6.69 million as at 31 December 2016 (30 June 2016: \$6.75 million) due mainly to net repayment of borrowings to the bank in HY2017.

8.3 Cash Flow Review

Cash and bank balances as at 31 December 2016 amounted to \$287,000. The Group had recorded net cash used in operating activities of \$1.79 million in HY2017 (HY2016: \$3.71 million) due mainly to an operating loss before working capital changes of \$1.70 million (HY2016: \$1.72 million) and an increase of \$93,000 (HY2016: \$2.0 million) in cash used for working capital.

The net cash used in investing activities amounted to \$37,000 in HY2017 (HY2016: net cash used in investing activities amounted to \$199,000) due mainly to the acquisition of plant and equipment.

The Group had also raised a net cash balance of \$524,000 from its financing activities in HY2017 (HY2016: \$3.42 million). This comprised mainly the net proceeds from bank borrowings of \$2.3 million. The proceeds were partly offset by the interest expenses of \$106,000 and repayments of borrowings of \$1.67 million in HY2017.

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

Not applicable. 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 next 12 months continue to be challenging for the Group with unfavourable economic situations in the world especially the region. The private education industry in Singapore is also undergoing a period of change including a more stringent regulatory environment.

The Board and Management are looking into various initiatives to increase our competitiveness and financial position. This includes the following:

- (a) Evaluating our business strategies to align with government initiatives and programmes such as SkillsFuture and other programmes;
- (b) Leveraging on the government grants made available for our programmes in Singapore and marketing these programmes to local students;
- (c) Working with corporate partners to provide internship programmes to support and help students to develop their employability skills; and
- (d) Continue to streamline our processes with the view to making our business competitive.

Education is a business that needs patience and commitment. The initiative will take time to materialise and demonstrate returns.

The Group has been actively looking to realise some of our investment properties, which is valued at \$17.25 million as at 31 December 2016. To improve the marketability of our investment properties, the Group has been working on sub-dividing the investment properties. The Group is currently in the final stage of completing the sub-division process and obtaining approval from the relevant authorities for the sub-division of the investment properties.

The Group is continuing to explore various equity and/or debt fund raising options to strengthen its financial position and/or to make acquisitions of new business or assets which could be injected into the Group to improve its financial performance. The Board of Directors wish to stress that this is currently in an exploratory stage and updates will be provided to shareholders as and when there are material developments.

11. If a decision regarding dividend has been made:

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

No dividend was declared for HY2017.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend was declared for HY2016.

(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 pm) 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/recommended for HY2017.

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.

Other than the shareholders' loan, which was interest free and unsecured, there were no other interested person transactions in the period under review. The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

We, Dr. Chin Kon Yuen and Ms Yeow Cheng Khim, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial statements for the half year ended 31 December 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr. Chin Kon Yuen
Executive Chairman

Ms. Yeow Cheng Khim
Chief Executive Officer

13 February 2017