



Company Registration No. 200505118M

ALBEDO LIMITED

FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. 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 Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) 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

	Group Three months ended		Increase/ (Decrease) %	Group 12 months ended		Increase/ (Decrease) %
	31.12.15 (Unaudited) S\$'000	31.12.14 (Unaudited) S\$'000		31.12.15 (Unaudited) S\$'000	31.12.14 (Audited) S\$'000	
Revenue	859	1,473	-42%	5,565	10,017	-44%
Cost of Sales	(478)	(1,162)	-59%	(4,240)	(8,557)	-50%
Gross Profit	381	311	23%	1,325	1,460	-9%
Other operating income	1,396	24	N/M	1,446	80	N/M
Selling and distribution costs	(207)	(101)	105%	(559)	(465)	20%
Administrative expenses	(1,517)	(619)	145%	(3,408)	(1,633)	109%
Other operating expenses	(91)	(7,993)	-99%	(94)	(12,324)	-99%
Finance costs	(1)	(3)	-67%	(14)	(33)	-58%
Loss for the financial period/ year before income tax	(39)	(8,381)	-100%	(1,304)	(12,915)	-90%
Income tax expense	(6)	(189)	-97%	(5)	(190)	-97%
Loss for the financial period/ year after income tax	(45)	(8,570)	-99%	(1,309)	(13,105)	-90%
Total loss attributable to: Equity holders of the company	(610)	(8,570)	-93%	(1,874)	(13,105)	-86%
Non-controlling interest	565	-	N/M	565	-	N/M
Net loss for the financial period/ year	(45)	(8,570)	-99%	(1,309)	(13,105)	-90%

Notes to Consolidated Statement of Comprehensive Income

	Group 3 months ended			Group 12 months ended		
	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	Change	31.12.2015 (Unaudited)	31.12.2014 (Audited)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss after income tax	(45)	(8,570)	-99%	(1,309)	(13,105)	-90%
Other comprehensive income						
Foreign currency translation	1	6	NM	3	5	-80%
Total comprehensive loss	(46)	(8,564)	-99%	(1,308)	(13,100)	-90%
Attributable to:						
Equity holders of the Company	(609)	(8,564)	-93%	(1,871)	(13,100)	-86%
Non-controlling interest	565	-	100%	565	-	100%

Notes to Consolidated Statement of Comprehensive Income

	Group 3 months ended			Group 12 months ended		
	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	Change	31.12.2015 (Unaudited)	31.12.2014 (Audited)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on borrowings	1	3	-67%	14	33	-58%
Depreciation of property, plant and equipment	24	4	N/M	30	19	58%
Foreign exchange (loss)/gain	(5)	(42)	-88%	(2)	(132)	-99%
Allowance for impairment of receivables	-	8,044	N/M	-	8,044	N/M
Allowance for Write-down of inventories	27	-	N/M	27	-	N/M

nm – denotes 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

	Group		Company	
	As at 31.12.15 Unaudited S\$'000	As at 31.12.14 Audited S\$'000	As at 31.12.15 Unaudited S\$'000	As at 31.12.14 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash & bank balances	3,519	9,837	2,031	9,086
Trade receivables	466	951	-	-
Other receivables and prepayments	332	73	79	26
Inventories	434	250	-	-
Total current assets	4,751	11,111	2,110	9,112
Non-current assets				
Subsidiary corporations	-	-	18,402	751
Property, plant and equipment	373	21	2	-
Intangible asset	418	-	-	-
Goodwill	17,886	-	-	-
Total non-current assets	18,667	21	18,404	751
Total assets	23,428	11,132	20,514	9,863
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	127	384	-	-
Other payables	4,900	305	3,932	159
Borrowings	-	474	-	-
Income tax payable	-	210	-	-
Total current liabilities	5,027	1,373	3,932	159
Non current liabilities				
Deferred tax liabilities	71	-	-	-
Total Non-current liabilities	71	-	-	-
Total liabilities	5,098	1,373	3,932	159
Net Assets	18,330	9,759	16,582	9,704
Capital and reserves				
Share capital	46,485	38,114	46,485	38,114
Reserves	(28,878)	(28,355)	(29,903)	(28,410)
Share capital and reserves	17,607	9,759	16,582	9,704
Non-controlling interests	723	-	-	-
Total Equity	18,330	9,759	16,582	9,704

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

	31.12.15	31.12.14
Amount repayable within one year	Unaudited	Audited
Bills payable to banks (Secured)	-	474
	<u>-</u>	<u>474</u>

The Group did not have any secured or unsecured borrowings and debt securities as at 31 December 2015.

Details of any collateral

The banking facilities including bank loans, bank overdrafts and bills payable of the Group were secured by fixed deposits or guaranteed by corporate guarantee from the holding company.

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 Statements of Cash Flows

	Group		Group	
	3 months ended		12 months ended	
	31.12.15 Unaudited	31.12.14 Unaudited	31.12.15 Unaudited	31.12.14 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss before taxation	(39)	(8,381)	(1,304)	(12,915)
Adjustments for:				
Depreciation of property, plant and equipment	24	4	30	19
Resultant loss relating to shares granted to introducer	-	4,421	-	4,421
Impairment of debt owing by a deconsolidated subsidiary	-	8,044	-	8,044
Employee share option expenses	-	177	532	177
Interest expense on borrowings	1	3	14	33
Allowance for slow moving inventories	27	-	27	-
Net foreign exchange loss	6	1	4	-
Operating cash flows before movement in working capital	19	4,269	(697)	(221)
(Increase)/Decrease in trade receivables	33	295	660	(514)
Decrease /(Increase) in other receivables and prepayments	(73)	(5,178)	(161)	1,422
(Increase)/Decrease in inventories	(51)	200	(211)	67
Decrease in trade payables	(129)	(186)	(256)	(89)
Decrease/(Increase) in other payables and accruals	2,667	72	2,755	(489)
Cash (used in)/generated from operations	2,466	(528)	2,090	176
Interest paid	(1)	(3)	(14)	(33)
Income tax paid	(6)	(7)	(215)	(278)
Net cash generated from/(used in) operating activities	2,459	(538)	1,861	(135)

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 Statements of Cash Flow

	Group		Group	
	3 months ended		12 months ended	
	31.12.15 Unaudited	31.12.14 Unaudited	31.12.15 Unaudited	31.12.14 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from Investing activities				
Acquisition of subsidiary corporations, net of cash acquired	(10,839)	-	(10,839)	-
Purchase of property, plant and equipment	(2)	-	(4)	-
Net cash used in investing activities	(10,841)	-	(10,843)	-
Cash flows from financing activities				
Proceeds from issuance of shares	2,250	-	2,250	-
Proceeds from issuance/exercise of warrants	-	-	887	6,799
Repayment of bank borrowings	(117)	(36)	(474)	(1,436)
Deposit pledged	(1,500)	(2,030)	(1,500)	(2,030)
Net cash provided by financing activities	633	(2,066)	1,163	3,333
Net (decrease) / increase in cash and cash equivalents	(7,749)	(2,604)	(7,819)	3,198
Cash and cash equivalents at the beginning of the financial period/year	9,768	10,407	9,837	4,605
Effects of exchange rate changes on cash & cash equivalents	-	4	1	4
Cash and cash equivalents at end of the financial period/year	2,019	7,807	2,019	7,807
Cash and cash equivalents is represented by:				
Cash and bank balances	3,519	9,837	3,519	9,837
Deposit pledged	(1,500)	(2,030)	(1,500)	(2,030)

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 S\$'000	Translation Reserve S\$'000	Accumulated profits S\$'000	Share-based Compensation Reserve S\$'000	Warrant Reserve S\$'000	Non- controlling interest S\$'000	Total S\$'000
(Audited)							
Balance as at 01.01.2014	31,019	4	(16,064)	329	595	-	15,883
Employee Share Option Scheme							
-Value of employee services	-	-	-	177	-	-	177
Exercise of warrants	7,095	-	-	-	(296)	-	6,799
Total comprehensive loss for the year	-	5	(13,105)	-	-	-	(13,100)
Balance as at 31.12.2014	38,114	9	(29,169)	506	299	-	9,759
(Unaudited)							
Balance as at 01.01.2015	38,114	9	(29,169)	506	299	-	9,759
Issuance of new shares	8,300						8,300
Employee Share Option Scheme							
- Value of employee services	-	-	-	532	-	-	532
Exercise of warrants	71	-	-	-	816	-	887
Total comprehensive loss for the year	-	-	(1,874)	-	-	-	(1,874)
Acquisition of Non- controlling interest	-	-	-	-	-	723	723
Foreign currency translation	-	3	-	-	-	-	3
Balance as at 31.12.2015	46,485	12	(31,043)	1,038	1,115	723	18,330

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 (cont'd)

Company	Share capital S\$'000	Accumulated Profits S\$'000	Share-based Compensation Reserve S\$'000	Warrant Reserve S\$'000	Total S\$'000
(Audited)					
Balance as at 01.01.2014	31,019	(17,903)	329	595	14,040
Employee Share Option Scheme					
-Value of employee services	-	-	177	-	177
Exercise of warrants	7,095	-	-	(296)	6,799
Total comprehensive loss for the year	-	(11,312)	-	-	(11,312)
Balance as at 31.12.2014	38,114	(29,215)	506	299	9,704
(Unaudited)					
Balance as at 01.01.2015	38,114	(29,215)	506	299	9,704
Issuance of new shares	8,300				8,300
Employee Share Option Scheme					
- Value of employee services	-	-	532	-	532
Exercise of warrants	71	-	-	816	887
Total comprehensive loss for the year	-	(2,841)	-	-	(2,841)
Balance as at 31.12.2015	46,485	(32,056)	1,038	1,115	16,582

1(d)(ii) Details of any changes in the company's share capital arising from right 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 of the issuer, 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.

<u>The Company's share capital is shown as below:-</u>	Number of Shares	Share capital S\$'000
Balance as at 1 January 2015	1,889,650,715	38,114,176.61
Exercise of warrants ¹	9,482,600	71,119.50
Balance as at 30 September 2015	1,899,133,315	38,185,296.11
Balance as at 1 October 2015	1,899,133,315	38,185,296.11
Issuance of new shares	750,000,000	8,300,000.00
Balance as at 31 December 2015	2,649,133,315	46,485,296.11

Note:

1. the warrants issued pursuant to the Company's rights cum warrants issue in April 2013 ("Rights cum Warrants Issue").

The issued and paid-up capital of Company increased to approximately S\$46,485,000 comprising 2,649,133,315 shares as at 31 December 2015 from approximately S\$38,114,000 comprising 1,889,650,715 shares as at 31 December 2014.

During the financial year ended 31 December 2015 ("FY2015"), 200,000,000 new placement shares were issued at S\$0.01125 and 550,000,000 new shares were issued at S\$0.0125 as consideration shares for the acquisition of a medical aesthetic group as announced on 1 December 2015.

During FY2015 there were 9,482,600 warrants pursuant to the Right cum Warrants Issue that were exercised. As at 31 December 2015, there were 66,179,592 outstanding warrants which is exercisable into 66,179,592 ordinary shares of the Company pursuant to the Rights cum Warrants issue (as at 31 December 2014: there were 75,662,192 outstanding warrants which would be exercisable into 75,662,192 ordinary shares of the Company).

110 million of the non-listed, non-transferable warrants issued on 12 December 2013 at an exercise price of S\$ 0.04338 per warrant exercisable into 110 million shares of the Company were outstanding as at 31 December 2015. (As at 31 December 2014: 110 million warrants)

840 million of the non-listed, non-transferable warrants issued on 11 June 2015 at an exercise price of S\$0.01125 per warrants exercisable into 840 million ordinary shares of the Company were outstanding as at 31 December 2015. (As at 31 December 2014: Nil).

In FY2015, no employee share options were exercised.

In the financial year ended 31 December 2014 ("FY2014"), no employee share options were exercised and 800,000 employee share options had lapsed following the cessation of employment of two employees.

The Company had 107,750,000 outstanding employee share options (as at 31 December 2015 and 31 December 2014).

There were no treasury shares as at 31 December 2015 and 31 December 2014.

1(d)(iii) To show the 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

	31.12.2015	31.12.2014
Total number of issued shares excluding treasury shares	2,649,133,315	1,889,650,715

There were no treasury shares as at 31 December 2015 and 31 December 2014.

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 the Company did not have any 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 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 same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recent audited financial statements of the Company 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

Not applicable.

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

Loss Per Share	Group		Group	
	3 months ended		12 months ended	
	31.12.2015 (Unaudited)	31.12.2014 (Audited)	31.12.2015 (Unaudited)	31.12.2014 (Audited)
(a) Based on weighted average number of shares (cents)	(0.03)	(0.46)	(0.10)	(0.70)
(b) Based on fully diluted basis (cents) ⁽¹⁾	(0.03)	(0.46)	(0.10)	(0.70)
Weighted average number of shares	1,914,474,719	1,876,034,290	1,914,474,719	1,876,034,290

Notes:

¹ The outstanding warrants and options were not included in the computation of the diluted loss per share as their effects would have been 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	
	31.12.2015 (Unaudited)	31.12.2014 (Audited)	31.12.2015 (Unaudited)	31.12.2014 (Audited)
Net asset value per ordinary share based on issued share capital as at end of the period (Singapore cents)	0.66	0.52	0.63	0.51

The net asset value per ordinary share of the Group and the Company was calculated based on the Group's and the Company's net assets value as at 31 December 2015 divided by 2,649,133,315 ordinary shares (31 December 2014: 1,889,650,715, ordinary 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.

Review of the Income Statement of the Group

i) Revenue

	4Q2015	4Q2014	Variance		12M2015	12M2014	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading and distribution	606	1,473	(867)	-59%	5,312	10,017	(4,705)	-47%
Medical Aesthetics	253	-	253	N/M	253	-	253	N/M
Total	<u>859</u>	<u>1,473</u>			<u>5,565</u>	<u>10,017</u>		

The Group's revenue from its trading and distribution for FY2015 was approximately S\$5.3 million, a decrease of approximately S\$4.7 million as compared to the revenue of approximately S\$10 million in the previous corresponding FY2014. The 47% decline in revenue was mainly due to further weakening of market demand and increasing import competition from competing steel producing countries with huge surplus productions.

As a result of the Group's diversification into medical aesthetics in November 2015, the Group consolidated approximately S\$253,000 of revenue from the medical aesthetics business during 4Q2015.

ii) Gross profit and gross profit margin

The Group's gross profit from operations had decreased by 9% from approximately S\$1.5 million in FY2014 to approximately S\$1.3 million in FY2015. Gross profit margin improved from 14.5% in FY2014 to 23.8% in FY2015 mainly due to higher percentage sale mix of higher margin products of the trading and distribution division and higher margin in the medical aesthetics business.

iii) Other operating income

The increase of approximately S\$1.4 million in other income from FY2014 is mainly due to the waiver of an amount owing by a subsidiary of approximately S\$1.3 million.

iv) Selling and distribution costs

Selling and distribution costs increased by 20% to approximately S\$559,000 in FY2015 from approximately S\$465,000 in FY2014 mainly due to higher marketing and employees cost.

v) Administrative expenses and Other operating expenses

Administrative expenses increased by approximately S\$1.8 million from approximately S\$1.6 million in FY2014 to approximately S\$3.4 million in FY2015 mainly due to the employee share option costs of approximately S\$532,000 expensed off in 2015. In addition, there was an allowance for impairment of slow moving stock of S\$27,000 and professional fees incurred in relation to the acquisition of the medical aesthetics business contributed to the increase of administrative expenses in FY2015.

Other operating expenses decreased from approximately S\$12.3 million in FY2014 to approximately S\$0.1 million in FY2015 mainly due to non-recurring losses arising from the disposal of Thai Tech Steel (2003) Co., Ltd ("TTS2003") in 2014. The disposal resulted in a loss of S\$8 million in FY2014 being an amount due to the Group which the Group was doubtful of recovering.

In FY2014, the Group had also recorded another approximately S\$4.4 million non-cash accounting loss arising from the termination agreement with Infinite Rewards Inc in relation to the proposed reverse take-over involving Reflection Oasis Inc.

vi) Finance costs

Finance costs decreased significantly by 58% from approximately S\$33,000 in FY2014 to approximately S\$14,000 in FY2015 due to the decrease in the utilisation of trade financing facilities.

Review of the Financial Position of the Group

vii) Balance sheet

Total assets of the Group increased by approximately S\$12.3 million from approximately S\$11.1 million as at 31 December 2014 to approximately S\$23.4 million as at 31 December 2015. The increase is a result of the acquisition of China iMyth Company Pte Ltd ("CIC") and its subsidiaries for a consideration of approximately S\$18.2 million and the goodwill arising from this acquisition is approximately S\$17.9 million. Also arising from the acquisition of existing medical aesthetics business in Taiwan and China, an intangible asset of S\$0.4m has been recorded for customer relationships. The cash and bank balance decreased by approximately S\$6.3 million from S\$9.8 million as at 31 December 2014 to S\$3.5 million as at 31 December 2015 mainly due to cash consideration partially paid for the acquisition of the CIC and to date, approximately S\$8.5 million had been paid. The property, plant and equipment of the Group increased by approximately S\$352,000 arising from the consolidation of CIC and its subsidiary corporations. Trade receivables of the Group decreased by approximately S\$485,000 due to the further slowdown in trading and distribution business and better collection of receivables.

Total liabilities of the Group increased by approximately S\$3.7 million mainly due to the remaining purchase consideration payable for acquiring CIC.

The Group repaid all the bank borrowings during 4Q2015. Further, the slowdown in trading and distribution business reduced the funding requirements hence no facilities were used.

The Group has no income tax liability as approximately S\$213,000 tax was paid during the financial year.

Review of the Cash Flow Statement of the Group

viii) Cash flow

Net cash generated from operating activities in FY2015 amounted to approximately S\$1.9 million. The operating cash outflows before movement in working capital were approximately S\$0.7 million.

The net cash outflow in investment activities in FY2015 of approximately S\$10.8 million is due mainly to the net cash used in acquiring of medical aesthetic business.

The net cash generated from financing activities amounted to approximately S\$1.2 million was mainly due to the proceeds from the exercise of warrants of approximately S\$0.9 million and issuance of new shares of approximately S\$2.3 million. This was partially offset by the repayment of bank borrowings of approximately S\$0.5 million and deposits pledged to the banks of approximately S\$1.5 million.

Cash and cash equivalents were approximately S\$2.0 million as at 31 December 2015 as compared to approximately S\$7.8 million as at 31 December 2014.

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 future demand for steel is expected to be lower due to weaker economic conditions and is further challenged by the fact that there will be continued import competition from over producing steel mills with surpluses. Hence our sales and performance will be affected accordingly.

As announced previously, the Group is actively in search of new businesses and we have since diversified into the medical and healthcare services sector.

On 6 November 2015, the Company has announced that it had acquired 51% of the issued and paid up share capital of CIC and diversified into the medical aesthetic business and the medical and healthcare sector.

On 8 January 2016, the Company announced that its subsidiary CMIC Hemodialysis Pte Ltd will set up to operate a new 300-bed kidney hospital. This hospital will also provide renal care and haemodialysis services in Qingdao. The operations and management of this kidney hospital will be carried out by subsidiaries of CMIC Hemodialysis Pte Ltd formed or to be formed for this purpose. CMIC Hemodialysis (Hong Kong) Limited has been incorporated as a wholly owned subsidiary of CMIC Hemodialysis Pte Ltd.

In addition to the kidney hospital, the Company also plans to operate a new medical aesthetic clinic in Qingdao in collaboration with a local partner, who has received in principle approval for the operation of a new medical aesthetic clinic in Qingdao. The Company will be collaborating with the local partner to operate this new medical aesthetic clinic.

On 8 January, the Company has also entered into a master marketing agreement (the "Marketing Agreement") with 浙江联和必盛健康科技股份有限公司 ("Wealth Union") to market on aesthetics medical services. Wealth Union operates and franchises a network of 286 slimming

salons, 21 fitness centres and three gymnasiums mostly under the W.U.Superfitness and Rejoy brands. The brands are franchised to more than 350 entrepreneurs across various parts of China.

As all these diversifications into the medical and healthcare businesses are in their early stages, we only expect revenue contributions in the second half of 2016.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared 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.

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

By Business Segment

	Trading and Distribution	Aesthetics Medical	Others	Consolidated
31-Dec-15 (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	5,312	253	-	5,565
Gross profit	1,146	179	-	1,325
Administrative expenses	(545)	(309)	(2,554)	(3,408)
Selling and distribution expenses	(557)	(2)	-	(559)
Other Operating expenses	64	(95)	(63)	(94)
Other income	30	1,381	35	1,446
Finance costs	(13)	(1)	-	(14)
Profit / (loss) before taxation	125	1,153	(2,582)	(1,304)
Taxation	(2)	-	(3)	(5)
Profit / (loss) for the year	123	1,153	(2,585)	(1,309)
Attributable to:				
Equity holders of the Company				(1,913)
Non-controlling interest				604
				(1,309)
<u>Other information</u>				
Depreciation	7	22	1	30
<u>Assets and liabilities</u>				
Segment assets	1,188	21,364	876	23,428
Consolidated total assets				23,428
Segment liabilities	392	768	3,938	5,098
Consolidated liabilities				5,098

By Business Segment

	Trading and Distribution	Aesthetics Medical	Others	Consolidated
31-Dec-14 (Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	10,012	-	5	10,017
Gross profit	1,541	-	(81)	1,460
Administrative expenses	(389)	-	(1,244)	(1,633)
Selling and distribution expenses	(465)	-	-	(465)
Other Operating expenses	(1,161)	-	(11,163)	(12,324)
Other income	28	-	52	80
Finance costs	(33)	-	-	(33)
Loss before taxation	(479)	-	(12,436)	(12,915)
Taxation	(184)	-	(6)	(190)
Loss for the year	(663)	-	(12,442)	(13,105)
Attributable to:				
Equity holders of the Company				(13,105)
Non-controlling interest				-
				(13,105)
<u>Other information</u>				
Depreciation	15	-	4	19
<u>Assets and liabilities</u>				
Segment assets	2,009	-	9,123	11,132
Consolidated total assets				11,132
Segment liabilities	1,213	-	160	1,373
Consolidated liabilities				1,373

14. In the review of performance, the factors leading to any material changes in contributions to turn over and earnings by the operating segments.

Please refer to Paragraph 8 for explanation on Trading, Distribution and Medical Aesthetic.

In FY2015, the loss of approximately S\$2.6 million reported in the "Others" business segment is mainly attributable to the corporate expenses and ESOS expenses in this year amounting to S\$532,000. In addition, there were also professional fees incurred for the acquisition of the Medical Aesthetic business of S\$654,000.

In FY2014, the loss of approximately S\$12.4 million reported in the "Others" business segment is mainly attributable to the loss of S\$4.4 million due to the timing difference and the price difference of the Company's shares as at the date of the allotment and issue of introducer shares and the amount received from the introducer based on the market price of the 95 million shares at the date of allotment. Another approximately S\$8 million attributable to the loss is the writing off of the debts of TTS2003 owing to the Group upon its disposal during FY2014.

15. A breakdown of sales as follows: -

	Group		
	31.12.15	31.12.14	Change
	S\$'000	S\$'000	%
<u>Sales</u>			
First half	3,539	6,138	-42%
Second half	2,026	3,879	-48%
	5,565	10,017	
<u>Loss for the financial year</u>			
First half	(549)	(18)	NM
Second half	(760)	(13,087)	-94%
	(1,309)	(13,105)	

NM – Not meaningful

-
16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	31.12.15	31.12.14
	S\$	S\$
Ordinary shares	-	-

17. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.

During FY2015, the Company issued and allotted 200,000,000 subscription shares to Mdm Sukmawati Widjaja (Placee) at the subscription price of S\$0.01125 per subscription share on the terms and conditions of the shares subscription agreement entered into between the Company and the Placee on 17 June 2015 (the "Shares Placement").

The Placee is an "interested person" under the Catalist Rules as her son, is a Director of the Company.

The Shares Placement had been duly approved by the Shareholders during the Extraordinary General Meeting dated 6 November 2015.

Save for the above, the Group did not enter into any IPT of S\$100,000 or more in value per transaction for FY 2015.

The Group does not have a general mandate from shareholders for IPTs.

18. Use of Proceeds

As at 1 February 2016, the net proceeds had been utilised as follows:

Use of proceeds	Allocation of net proceeds raised	Amount utilised to 6 November 2015 (S\$)	Amount utilised from 7 November 2015 to 1 February 2016 (the "Period") (S\$)	Amount unutilised (S\$)
(A) Proceeds from Rights cum Warrants Issue ¹				
Funding Growth Expansion	3,996,291	802,254	3,194,038	-
Working Capital	2,664,194	2,664,194	-	-
(B) Proceeds from the exercise of ESOS ²				
Working Capital	169,800	169,800	-	-
(C) Proceeds from the exercise of warrants ³				
Working Capital	9,216,000	6,541,050	1,540,144	1,134,806
(D) Proceeds from 840 mil warrants placement ⁴				
Funding Growth Expansion	588,000	-	588,000	-
Working Capital	252,000	-	-	252,000
(E) Proceeds from 200 mil shares placement ⁵				
Funding Growth Expansion	1,568,000	-	1,568,000	-
working Capital	672,000	-	-	672,000
Total Amount	19,126,285	10,177,298	6,890,182	2,058,806

The above use of proceeds is in accordance with the intended use as stated in the circular dated 24 December 2012, 6 March 2013 and 13 April 2009 and announcement dated 11 June 2015.

Notes:

1. The proceeds comprised S\$3,379,576 from the issuance of the Rights cum Warrants and S\$3,280,909 from the exercise of warrants as at 31 December 2015, together it amounted to S\$6,660,485. Of the total proceeds received, S\$3,996,291 has been earmarked for funding growth expansion and S\$2,664,194 earmarked for working capital. The funds used for working capital mainly related to payment of staff salaries, administrative expenses, finance expenses, operating expenses and Directors' remuneration. During the Period, S\$3,194,038 was used to fund growth expansion.
2. The proceeds from the exercise of ESOS were fully utilised for working capital as in the purpose disclosed in note 1.
3. The warrants issued related to non-listed, non-transferrable warrants to various individuals as announced on 6 June 2011, 14 June 2013, and 13 December 2013. The utilisation of the proceeds of S\$1,540,144 during the Period from the exercise of warrants were for working capital as in the purpose disclosed in note 1.
4. The warrants issue related to non-listed, non-transferrable warrants to various individuals as announced on 11 June 2015. The proceeds of S\$588,000 that was earmarked for funding growth expansion have been fully utilised during the Period.

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5. The shares placement is in relation to placement of an aggregate of 200,000,000 new ordinary shares in the issued and paid up capital of the Company to Mdm Oei Siu Hoa @ Sukmawati Widjaja as announced on 17 June 2015 and 1 December 2015. The proceeds of S\$1,568,000 that was earmarked for funding growth expansion have been fully utilised during the Period.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable. There is no person occupying a managerial position in the Company and/or its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company and/or its subsidiaries as at 31 December 2015 pursuant to Rule 704(10) of the Catalist Rules.

20. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

By Order of the Board

Tai Kok Chuan
Executive Chairman
29 February 2016