



**CHINA MEDICAL (INTERNATIONAL)
GROUP LIMITED**

中国医疗(国际)集团有限公司

Company Registration No. 200505118M

**CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED
(FORMERLY KNOWN AS ALBEDO LIMITED)**

THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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 3 months ended		Increase (Decrease) %	Group 9 months ended		Increase/ (Decrease) %
	30.9.17 (Unaudited) S\$'000	30.9.16 (Unaudited) S\$'000		30.9.17 (Unaudited) S\$'000	30.9.16 (Unaudited) S\$'000	
Revenue	382	737	(48%)	1,419	2,616	(46%)
Cost of Sales	(192)	(605)	(68%)	(845)	(1,719)	(51%)
Gross Profit	190	132	44%	574	897	(36%)
	50%	18%		40%	34%	
Other income	62	56	11%	215	207	4%
Selling and distribution expenses	(35)	(149)	(77%)	(135)	(356)	(62%)
Administrative expenses	(1,036)	(1,121)	(8%)	(2,887)	(3,506)	(18%)
Other operating expenses	(67)	(129)	(48%)	(213)	(342)	(38%)
Finance expense	(198)	(106)	87%	(524)	(119)	340%
Loss for the financial period before income tax	(1,084)	(1,317)	(18%)	(2,970)	(3,219)	(8%)
Income tax expense	-	-	-	(2)	(6)	(67%)
Net loss	(1,084)	(1,317)	(18%)	(2,972)	(3,225)	(8%)
Other comprehensive loss: Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation gain/ (loss)	164	33	N/M	141	(13)	N/M
Other comprehensive income/ (loss), net of tax	164	33	N/M	141	(13)	N/M
Total comprehensive loss	(920)	(1,284)	(28%)	(2,831)	(3,238)	(13%)
Loss attributable to:						-
Equity holders of the Company	(1,045)	(1,160)	(10%)	(2,805)	(2,787)	1%
Non-controlling interests	(39)	(157)	(75%)	(167)	(438)	(62%)
Net loss for the financial period	(1,084)	(1,317)	(18%)	(2,972)	(3,225)	(8%)
Loss attributable to:						
Equity holders of the Company	(871)	(1,136)	(23%)	(2,651)	(2,806)	(6%)
Non-controlling interests	(49)	(148)	(67%)	(180)	(432)	(58%)
Total comprehensive loss for the financial period	(920)	(1,284)	(28%)	(2,831)	(3,238)	(13%)

Notes to Consolidated Statement of Comprehensive Income

	Group 3 months ended		Increase/ (Decrease) %	Group 9 months ended		Increase/ (Decrease) %
	30.9.17 (Unaudited) S\$'000	30.9.16 (Unaudited) S\$'000		30.9.17 (Unaudited) S\$'000	30.9.16 (Unaudited) S\$'000	
	Interest expense on borrowings	(198)		(106)	87%	
Depreciation of property, plant and equipment	(30)	(47)	(36%)	(108)	(125)	(14%)
Impairment of trade receivables	-	(56)	(100%)	-	(56)	(100%)
Impairment of other receivables	(300)	-	100%	(550)	-	100%
Write off of property, plant and equipment	-	(11)	(100%)	(16)	(14)	14%
Foreign exchange gain/ (loss)	-	10	(100%)	(5)	(12)	(58%)

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

	Group		Company	
	As at 30.9.17 Unaudited S\$'000	As at 31.12.16 Audited S\$'000	As at 30.9.17 Unaudited S\$'000	As at 31.12.16 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	1,581	2,525	776	1,404
Trade and other receivables	1,387	1,570	2,076	893
Inventories	27	64	-	-
Total current assets	2,995	4,159	2,852	2,297
Non-current assets				
Investments in subsidiary corporations	-	-	7,302	7,302
Property, plant and equipment	150	274	12	27
Intangible asset	104	104	-	-
Goodwill	7,192	7,192	-	-
Total non-current assets	7,446	7,570	7,314	7,329
Total assets	10,441	11,729	10,166	9,626
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	1,083	1,348	2,203	864
Borrowings	4,477	3,730	-	-
Total current liabilities	5,560	5,078	2,203	864
Non-current liabilities				
Trade and other payables	3,138	3,017	3,138	3,017
Borrowings	1,000	1,000	1,000	1,000
Deferred income tax liabilities	18	18	-	-
Total non-current liabilities	4,156	4,035	4,138	4,017
Total liabilities	9,716	9,113	6,341	4,881
Net assets	725	2,616	3,825	4,745
Capital and reserves attributable to equity holders of the Company				
Share capital	51,550	50,000	51,550	50,000
Other reserves	(50,589)	(47,320)	(47,725)	(45,255)
Share capital and reserves	961	2,680	3,825	4,745
Non-controlling interests	(236)	(64)	-	-
Total equity	725	2,616	3,825	4,745

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

	As at 30.9.2017		As at 31.12.2016	
	Unaudited		Audited	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(i) Loan facilities	3,477 ^(a)	1,000 ^{(b),(c)}	3,730 ^(a)	-

Amount repayable after one year

	As at 30.9.2017		As at 31.12.2016	
	Unaudited		Audited	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(ii) Loan facilities	-	1,000	-	1,000

Details of any collateral

- (i) (a) Approximately S\$3.477 million (HK\$20 million) loan borrowed by a subsidiary is secured by a corporate guarantee granted by the Company and a deed of guarantee granted by one of the Company's substantial shareholders, Dato Dr Choo Yeow Ming. The loan currently bears interest at a rate of 14% per annum and the repayment date of this loan is 27 December 2017.
- (b) On 2 February 2017, one of the Company's substantial shareholders, Dato Dr Choo Yeow Ming advanced an interest free loan of S\$0.2 million to the Company, repayable in 12 months after the date of disbursement.
- (c) On 25 August 2017, the Company entered into a S\$0.8 million loan with a third party repayable on 27 November 2017 at 24% per annum.
- (ii) Unsecured shareholder loan of S\$1 million from Dato Dr Choo Yeow Ming. The unsecured loan bears interest at a rate of 6% per annum and is due for repayment on 5 March 2020.

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

	Group			
	3 months ended		9 months ended	
	30.9.2017 Unaudited S\$'000	30.9.2016 Unaudited S\$'000	30.9.2017 Unaudited S\$'000	30.9.2016 Unaudited S\$'000
Net loss	(1,084)	(1,317)	(2,972)	(3,225)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	-	-	2	6
Depreciation of property, plant and equipment	30	47	108	125
Write off of property, plant and equipment	-	11	16	14
Unrealised currencies translation loss/ (gain)	226	(11)	15	(12)
Interest expense	198	106	524	119
Operating cash flows before movements in working capital	(630)	(1,164)	(2,307)	(2,973)
Trade and other receivables	43	(1,663)	182	(4,989)
Inventories	5	156	37	347
Trade and other payables	(8)	(93)	(265)	135
Cash used in operations	(590)	(2,764)	(2,353)	(7,480)
Income tax paid	-	6	(2)	-
Interest expense	(198)	(106)	(524)	(119)
Net cash used in operating activities	(788)	(2,864)	(2,879)	(7,599)
Cash flow used in investing activities				
Purchase of property, plant and equipment	-	(9)	-	(67)
Net cash used in investing activities	-	(9)	-	(67)

	Group			
	3 months ended 30.9.2017 Unaudited S\$'000	3 months ended 30.9.2016 Unaudited S\$'000	9 months ended 30.9.2017 Unaudited S\$'000	9 months ended 30.9.2016 Unaudited S\$'000
Cash flows from financing activities				
Redemption of warrants	-	-	(500)	-
Proceeds from issuance of new shares	-	-	1,440	3,000
Proceeds from borrowing	800	1,016	1,000	4,514
Net cash generated from financing activities	800	1,016	1,940	7,514
Net increase/ (decrease) in cash and cash equivalents	12	(1,857)	(939)	(152)
Beginning of the financial period	1,569	5,188	2,525	3,519
Effect of currency translation on cash and cash equivalents	-	31	(5)	(5)
End of the financial period	1,581	3,362	1,581	3,362

Represent by:

	Group			
	3 months ended 30.9.2017 Unaudited S\$'000	3 months ended 30.9.2016 Unaudited S\$'000	9 months ended 30.9.2017 Unaudited S\$'000	9 months ended 30.9.2016 Unaudited S\$'000
Cash at bank and on hand	1,581	3,362	1,581	3,362
Less: bank deposits pledged	(503)	(1,500)	(503)	(1,500)
	1,078	1,862	1,078	1,862

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

	Share capital	Currency translation reserves	Accumulated losses	Share option reserve	Warrant reserve	Attributable to equity holders of company	Non-controlling interest	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)								
Balance as at 1.1.2016 (restated)	46,485	12	(31,043)	1,038	1,115	17,607	616	18,223
Issuance of shares	3,000	-	-	-	-	3,000	-	3,000
Other comprehensive loss	-	(19)	-	-	-	(19)	6	(13)
Total comprehensive loss for the period	-	-	(2,787)	-	-	(2,787)	(438)	(3,225)
Balance as at 30.9.2016	49,485	(7)	(33,830)	1,038	1,115	17,801	184	17,985
(Unaudited)								
Balance as at 1.1.2017	50,000	18	(49,799)	1,038	1,415	2,672	(56)	2,616
Redemption of warrants	-	-	-	-	(500)	(500)	-	(500)
Expiry of warrants	110	-	-	-	(110)	-	-	-
Issuance of new shares	1,440	-	-	-	-	1,440	-	1,440
Other comprehensive income	-	154	-	-	-	154	(13)	141
Total comprehensive loss for the period	-	-	(2,805)	-	-	(2,805)	(167)	(2,972)
Balance as at 30.9.2017	51,550	172	(52,604)	1,038	805	961	(236)	725

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 losses S\$'000	Share option reserves S\$'000	Warrant reserve S\$'000	Total S\$'000
(Unaudited)					
Balance as at 1.1.2016	46,485	(32,056)	1,038	1,115	16,582
Issuance of shares	3,000	-	-	-	3,000
Total comprehensive loss for the period	-	(1,800)	-	-	(1,800)
Balance as at 30.9.2016	49,485	(33,856)	1,038	1,115	17,782
(Unaudited)					
Balance as at 1.1.2017	50,000	(47,708)	1,038	1,415	4,745
Redemption of warrants	-	-	-	(500)	(500)
Expiry of warrants	110	-	-	(110)	-
Issuance of shares	1,440	-	-	-	1,440
Total comprehensive loss for the period	-	(1,860)	-	-	(1,860)
Balance as at 30.9.2017	51,550	(49,568)	1,038	805	3,825

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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>	<u>Number of Shares</u>	<u>Share capital S\$'000</u>
Balance as at 1 July 2017	3,199,133,315	51,550
Balance as at 30 September 2017	3,199,133,315	51,550

The issued and paid up capital of the Company remained at approximately S\$51,550,000 comprising 3,199,133,315 shares as at 30 September 2017.

No outstanding warrants pursuant to the 2013 Rights cum Warrants Issue were exercised during the financial period ended 30 September 2017 ("3Q2017"). As at 30 September 2017, there were 66,179,592 (30 September 2016: 66,179,592) outstanding warrants pursuant to the 2013 Rights cum Warrants Issue which may be exercisable into 66,179,592 (30 September 2016: 66,179,592) ordinary shares of the Company. As announced on 31 October 2017, 80,309,351 additional outstanding warrants (excluding foreign entitlement) have been allotted and issued by the Company pursuant to the 2017 Rights cum Warrants Issue. Accordingly, the number of outstanding warrants pursuant to the 2013 Right cum Warrants Issue has increased from 66,179,592 to 146,488,943 exercisable into 146,488,943 ordinary shares of the Company.

In 3Q2017, no employee share options were exercised. As at 30 September 2017, the Company had 103,950,000 (30 September 2016: 105,850,000) outstanding employee share options. There were no employee share options exercised during 30 June 2017 to 30 September 2017. Pursuant to the 2017 Rights cum Warrants Issue, the exercise prices of share options granted on 2 May 2008, 20 June 2008 and 2 October 2014 were adjusted to S\$0.01 and additional 158,393,000 were granted. Accordingly, the Company has 262,343,000 outstanding employee share options after the 2017 Rights cum Warrants Issue.

There were no treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 2016.

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

	<u>Company 30.09.2017</u>	<u>Company 31.12.2016</u>
Total number of issued shares excluding treasury shares	<u>3,199,133,315</u>	<u>2,999,133,315</u>

There were no treasury shares as at 30 September 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, 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 as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable as the Company did not have any subsidiary holdings 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 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

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		9 months ended	
	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
Basic (Singapore cents) ⁽¹⁾	(0.033)	(0.040)	(0.090)	(0.097)
Diluted (Singapore cents) ⁽²⁾	(0.033)	(0.040)	(0.090)	(0.097)

Notes:

¹ The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of approximately S\$1.045 million for 3 months period ended 30 September 2017 (30 September 2016: S\$1.160 million) and loss attributable to equity holders of the Company of approximately S\$2.805 million for 9 months period ended 30 September 2017 (30 September 2016: S\$2.787 million) divided by the weighted average number of shares of 3,130,268,846 shares (30 September 2016: 2,882,344,994 shares).

- ² The outstanding warrants and options were not included in the computation of the diluted loss per share as their effect 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	
	30.09.17 Unaudited	31.12.16 Audited	30.09.17 Unaudited	31.12.16 Audited
Net asset value per ordinary share (Singapore cents)	0.02	0.09	0.12	0.16

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 30 September 2017 and 31 December 2016 divided by 3,199,133,315 ordinary shares (31 December 2016: 2,999,133,315 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

	3Q2017	3Q2016	Variance
	S\$'000	S\$'000	
Trading & distribution	331	539	(208) (39%)
Aesthetics Medical	51	198	(147) (74%)
Total	382	737	(355) (48%)

The Group's revenue decreased by 48% to S\$0.382 million in 3Q2017. The revenue from the trading and distribution operations for 3Q2017 was S\$0.331 million. A decrease of S\$0.208 million as compared to the revenue of S\$0.539 million in the previous corresponding financial period ended 30 September 2016 ("3Q2016"). The decline in trading and distribution revenue was due to increasing market competition.

Medical aesthetic segment recorded S\$0.051 million of revenue during 3Q2017 (3Q2016: S\$0.198 million). The performance in this segment continued to be affected by:

- a) Stiff competition in the aesthetic business in Taiwan;
- b) Significant decrease in the number of medical tourists arrival in Taiwan from mainland China due to cross straits political environment; and
- c) Tightening of regulatory control and strict compliance with applicable laws and regulations for private medical clinics in mainland China.

ii) Gross profit and gross profit margin

The Group's gross profit from operations increased by 44% in 3Q2017 from S\$0.132 million to S\$0.190 million mainly due to sales of higher margin products during the period.

iii) Other income

Other income of S\$0.062 million in 3Q2017 was mainly due to income recorded in iMyth Taiwan for aesthetics product sales, equipment letting income and the Special Employment Credit and Temporary Employment Credit received in Singapore.

iv) Selling and distribution expenses

Selling and distribution expenses decreased by 77% in 3Q2017 from S\$0.149 million to S\$0.035 million mainly due to lower sales during the period.

v) Administrative expenses

Administrative expenses decreased by 8% to S\$1.036 million in 3Q2017 from S\$1.121 million in 3Q2016. The administrative expenses in 3Q2017 mainly consists of lease expenses incurred in Shenzhen and legal advisory fees for China operations.

vi) Other operating expenses

Other operating expenses decreased by 48% to approximately S\$0.067 million in 3Q2017 from S\$0.129 million in 3Q2016 was mainly due to lower travelling and other operating costs incurred during 3Q2017.

vii) Finance expenses

Finance expenses increased by approximately 87% to approximately S\$0.198 million in 3Q2017 from S\$0.106 million in 3Q2016 mainly due to interest expense for the S\$3.477 million (HKD20 million) loan granted by Concorde Global Limited and approximately S\$0.04 million unwinding of imputed interest for an amount owing to vendor of the China iMyth Company Pte Ltd.

Review of the Financial Position of the Group

viii) Balance sheet

Total assets of the Group decreased by approximately S\$1.288 million from S\$11.729 million as at 31 December 2016 to S\$10.441 million as at 30 September 2017. This was mainly attributable to decrease in cash and cash bank balances of approximately S\$0.944 million, and decrease in trade and other receivables of approximately S\$0.183 million and decrease of S\$0.037 million in inventories mainly due to lower sales during the period.

Total liabilities of the Group increased by S\$0.603 million from S\$9.113 million in 31 December 2016 to S\$9.716 million as at 30 September 2017. This was due to a short term loan of S\$0.800 million from a third party borrowed on 25 August 2017 and mainly offset by a reduction in trade and other payables of S\$0.265 million mainly arising from lower orders during the period.

Review of the Cash Flow Statement of the Group

ix) Cash flow

Net cash used in operating activities in 3Q2017 amounted to S\$0.788 million and S\$2.879 million for 9 months period ended 30 September 2017. The operating cash outflows before movement in working capital was S\$0.630 million in 3Q2017 and S\$2.308 million for 9 months period ended 30 September 2017. The movement in working capital was mainly due to reduction in trade and other receivables, trade and other payables and inventories all attributed to lower sales during the period.

There was no cash flow in investing activities in 3Q2017 and 9 months period ended 30 September 2017.

The net cash generated from financing activities in 3Q2017 amounted to S\$0.800 million being proceeds from the loan from a third party.

Cash at bank and on hand were S\$1.581 million as at 30 September 2017 as compared to S\$3.362 million as at 30 September 2016. There was a bank deposit pledged with the bank for banking facilities granted to a subsidiary of S\$0.503 million as at 30 September 2017 and there were S\$1.500 million bank deposits pledged as at 30 September 2016.

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 Group's operations in our aesthetic medical services in Taiwan and China remain challenging due to the geopolitical situation in the region and stiff competition within the industry.

As for the kidney hospital in Qingdao, the renovation has been halted and the Group is still in discussion with potential local investors for financing options.

The Group's other trading and distribution division's business for the supply of steel related raw materials, products and equipment to steel mills in our region remains weak. Given the above and the current geopolitical situation, the Group will intensify the search for and pursue all opportunities which will complement the Group's medical and healthcare services.

The Company had announced on 28 September 2017 of an opportunity to acquire certain radiology and diagnostic businesses. The Non Binding Framework Agreement had since lapsed. However the Group will continue and intensify the search for all opportunities and possibilities to complement the Group's medical and healthcare businesses and for growth.

The Group had a negative working capital of S\$2.565 million as at 30 September 2017. Notwithstanding this negative working capital position, the Company had as announced on 30 October 2017 raised approximately S\$5.601 million from the renounceable non-underwritten rights cum warrants issue. The Group will continue to explore various fundraising options to improve its financial position.

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

If no dividend has been declared (recommended), a statement to that effect

No dividend has been declared or recommended.

12. 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.

The Group did not enter into any IPT of S\$100,000 or more in value per transaction for 3Q2017. The Group does not have a general mandate from shareholders for IPTs.

13. 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.

14. Use of Proceeds

As at 9 November 2017, the amount raised from the renounceable non-underwritten rights cum warrants issue had been utilised as follows:

Use of proceeds	Allocation of net proceeds raised ⁽ⁱ⁾ (S\$)	Amount Utilised before 9 November 2017 ⁽ⁱⁱ⁾ (S\$)	Amount Unused As at 9 November 2017 (S\$)
Proceeds from 2017 Rights cum Warrants issue:			
(i) Working Capital	2,801,000	238,000	2,563,000
(ii) Loan repayment	2,800,000	1,200,000	1,600,000
Total Amount	5,601,000	1,438,000	4,163,000

Notes:

The proceeds from 2017 Rights and Warrants issue shares placement comprised of S\$4.118 million from rights subscribed and S\$1.483 million from excess applied, making a total proceeds of S\$5.601 million.

- (i) Arising from the above, the Company had decided to reallocate S\$2.801 million (approximately 50.01% of net proceeds) for working capital and S\$2.800 million (approximately 49.99% of net proceeds) for loans repayment.
- (ii) As of 9 November 2017, S\$1.200 million has been used for loan repayment and S\$0.238 million has been used for working capital in payment of professional fees and payment of other services. The S\$1.200 million loan repayment comprised repayment of a loan of S\$1.000 million bearing an interest at a rate of 6% per annum which was due on 5 March 2020 and an interest free loan of S\$0.200 million repayable in February 2018, both loans were extended by Dato Dr Choo Yeow Ming. In consideration of both said loans being paid in full, Dato Dr Choo Yeow Ming agreed to waive all interest payable on the said S\$1.000 million loan. Please refer to paragraph 1(b)(ii) for more details regarding the said loans.

15. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for 3Q2017 to be false or misleading in any material aspect.

By Order of the Board

Tai Kok Chuan
Executive Chairman
10 November 2017

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 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 Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)