



Company Registration No. 200505118M

ALBEDO LIMITED

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

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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

Consolidated Income Statement

	Group Three months ended			Group Nine months ended		
	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1,167	2,406	-51%	4,706	8,544	-45%
Cost of Sales	(922)	(2,054)	55%	(3,762)	(7,395)	49%
Gross Profit	245	352	-30%	944	1,149	-18%
Other operating income	15	22	-32%	50	56	-11%
Selling & distribution costs	(110)	(123)	11%	(352)	(364)	3%
Administrative expenses	(852)	(425)	nm	(1,891)	(1,014)	-86%
Other operating expenses	(9)	(4,337)	nm	(3)	(4,331)	nm
Finance cost	(4)	(6)	33%	(13)	(30)	57%
Loss for the financial period before taxation	(715)	(4,517)	84%	(1,265)	(4,534)	72%
Income tax credit/ (expense)	-	-	-	1	(1)	nm
Loss for the financial period (net of tax)	(715)	(4,517)	84%	(1,264)	(4,535)	72%
Attributable to Owners of the Company	(715)	(4,517)	84%	(1,264)	(4,535)	72%

- 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

Consolidated Statement of Comprehensive Income

	Group Three months ended			Group Nine months ended		
	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss after tax	(715)	(4,517)	84%	(1,264)	(4,535)	72%
Other comprehensive income						
Foreign currency translation	(9)	-	nm	(2)	(1)	nm
Total comprehensive loss	(724)	(4,517)	84%	(1,266)	(4,536)	72%
Attributable to: Owners of the Company	(724)	(4,517)	84%	(1,266)	(4,536)	72%

Notes to Consolidated Statement of Comprehensive Income

	Group Three months ended			Group Nine months ended		
	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on borrowings	(4)	(6)	33%	(13)	(30)	57%
Depreciation on property, plant & equipment	(2)	(4)	50%	(6)	(15)	60%
Foreign exchange (loss)/gain	(9)	84	nm	(3)	90	nm

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

Balance Sheets

	Group		Company	
	30.09.2015 (Unaudited)	31.12.2014 (Audited)	30.09.2015 (Unaudited)	31.12.2014 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash & bank balances	9,768	9,837	9,138	9,086
Trade receivables	324	951	-	-
Other receivables & prepayments	161	73	52	26
Inventories	410	250	-	-
Total current assets	10,663	11,111	9,190	9,112
Non-current assets				
Subsidiaries	-	-	751	751
Property, plant & equipment	17	21	-	-
Total non-current assets	17	21	751	751
Total assets	10,680	11,132	9,941	9,863
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	257	384	-	-
Other payables	393	305	312	159
Borrowings	117	474	-	-
Income tax payable	1	210	-	-
Total current liabilities	768	1,373	312	159
Total liabilities	768	1,373	312	159
Capital and reserves				
Share capital	38,185	38,114	38,185	38,114
Reserves	(28,273)	(28,355)	(28,556)	(28,410)
Total equity	9,912	9,759	9,629	9,704
Total liabilities and equity	10,680	11,132	9,941	9,863

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

	Group	
	30.09.2015 (Unaudited)	31.12.2014 (Audited)
	S\$'000	S\$'000
Amount repayable in one year or less or on demand		
Bills payable to banks (secured)	117	474
	<u>117</u>	<u>474</u>

The Group did not have any unsecured borrowings and debt securities.

Details of any collateral

The banking facilities including bank loans, bank overdrafts and bills payable of the Group were secured or guaranteed by corporate guarantee from the holding company. An amount of S\$1,500,000 included in the fixed deposits has been pledged to banks as security for credit facilities granted to a subsidiary.

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 Cash Flow Statements

	Group		Group	
	Three months ended 30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Nine months ended 30.09.2015 (Unaudited)	30.09.2014 (Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss before taxation	(715)	(4,517)	(1,265)	(4,534)
Adjustments for:				
Depreciation of property, plant and equipment	2	4	6	15
Employee share option expenses	178	-	532	-
Interest expense	4	6	13	30
Foreign exchange differences arising from translation	(9)	-	(2)	(1)
Operating cash flows before movement in working capital	(540)	(4,507)	(716)	(4,490)
Decrease/(increase) in trade receivables	287	(118)	627	(809)
(Increase)/decrease in other receivables and prepayments	(92)	6,630	(88)	6,600
Decrease/(increase) in inventories	442	273	(160)	(133)
(Decrease)/increase in trade payables	(304)	(29)	(127)	97
Increase/(decrease) in other payables and accruals	200	24	88	(561)
Cash (used in)/generated from operations	(7)	2,273	(376)	704
Interest paid	(4)	(6)	(13)	(30)
Income tax paid	(2)	-	(209)	(271)
Net cash (used in)/generated from operating activities	(13)	2,267	(598)	403
Cash flows from investing activities				
Purchase of property, plant and equipment	-	-	(2)	-
Net cash used in investing activities	-	-	(2)	-

1(c) **Consolidated Cash Flow Statements (continue)**

	Group		Group	
	Three months ended 30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	Nine months ended 30.09.2015 (Unaudited)	30.09.2014 (Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Proceeds from issuance/ exercise of warrants	840	2	887	6,799
Repayment of bank borrowings	(615)	(801)	(357)	(1,400)
Net cash inflow/(outflow) from financing activities	225	(799)	530	5,399
Net increase/(decrease) in cash and cash equivalents	212	1,468	(70)	5,802
Cash and cash equivalents at the beginning of the financial period	9,556	8,939	9,837	4,605
Effect of exchange rate changes on cash & cash equivalents	-	-	1	-
Cash and cash equivalents at end of the financial period	9,768	10,407	9,768	10,407

- 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

Statement of Changes in Equity

Group (unaudited)	Share capital	Accumulated losses	Share-based compensation reserve	Warrant reserve	Translation reserve	Equity attributable to owners of the Company - Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	31,019	(16,064)	329	595	4	15,883
Loss for the period	-	(18)	-	-	-	(18)
Other comprehensive income	-	-	-	-	(1)	(1)
	31,019	(16,082)	329	595	3	15,864
Exercise of warrants	7,092	-	-	(295)	-	6,797
Balance as at 30 June 2014	38,111	(16,082)	329	300	3	22,661
Loss for the period	-	(4,517)	-	-	-	(4,517)
	38,111	(20,599)	329	300	3	18,144
Exercise of warrants	3	-	-	(1)	-	2
Balance as at 30 September 2014	38,114	(20,599)	329	299	3	18,146

1(d)(i) **Statement of Changes in Equity (continued)**

Group (unaudited)	Share capital	Accumulated losses	Share-based compensation reserve	Warrant reserve	Translation reserve	Equity attributable to owners of the Company - Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2015	38,114	(29,169)	506	299	9	9,759
Loss for the period	-	(549)	-	-	-	(549)
Other comprehensive income	-	-	-	-	7	7
	38,114	(29,718)	506	299	16	9,217
Exercise of warrants	71	-	-	(24)	-	47
Employee Share Option Scheme						
- Value of employee services	-	-	354	-	-	354
Balance as at 30 June 2015	38,185	(29,718)	860	275	16	9,618
Loss for the period	-	(715)	-	-	-	(715)
Other comprehensive income	-	-	-	-	(9)	(9)
	38,185	(30,433)	860	275	7	8,894
Issuance of warrants						
Employee Share Option Scheme	-	-	-	840	-	840
- Value of employee services	-	-	178	-	-	178
Balance as at 30 September 2015	38,185	(30,433)	1,038	1,115	7	9,912

1(d)(i) **Statement of Changes in Equity (continued)**

Company (unaudited)	Share capital	Accumulated losses	Share-based compensation reserve	Warrant reserve	Equity attributable to owners of the Company - Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	31,019	(17,903)	329	595	14,040
Loss for the period	-	(407)	-	-	(407)
	31,019	(18,310)	329	595	13,633
Exercise of warrants	7,092	-	-	(295)	6,797
Balance as at 30 June 2014	38,111	(18,310)	329	300	20,430
Loss for the period	-	(4,689)	-	-	(4,689)
	38,111	(22,999)	329	300	15,741
Exercise of warrants	3	-	-	(1)	2
Balance as at 30 September 2014	38,114	(22,999)	329	299	15,743

Company (unaudited)	Share capital	Accumulated losses	Share-based compensation reserve	Warrant reserve	Equity attributable to owners of the Company - Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2015	38,114	(29,215)	506	299	9,704
Loss for the period	-	(769)	-	-	(769)
	38,114	(29,984)	506	299	8,935
Exercise of warrants	71	-	-	(24)	47
Employee Share Option Scheme - Value of employee services	-	-	354	-	354
Balance as at 30 June 2015	38,185	(29,984)	860	275	9,336
Loss for the period	-	(725)	-	-	(725)
	38,185	(30,709)	860	275	8,611
Issuance of warrants	-	-	-	840	840
Employee Share Option Scheme - Value of employee service	-	-	178	-	178
Balance as at 30 September 2015	38,185	(30,709)	1,038	1,115	9,629

- 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.**

	Number of shares 30.09.2015	Share capital 30.09.2015
		S\$'000
Balance as at 1 July 2015	1,899,133,315	38,185
Balance as at 30 September 2015	1,899,133,315	38,185

No warrants pursuant to the Rights cum Warrants Issue were exercised during the current financial period ended 30 September 2015 (“3Q2015”). As at 30 September 2015, there were 66,179,592 outstanding warrants which would be exercisable into 66,179,592 ordinary shares of the Company. (As at 30 September 2014, there were 75,662,192 outstanding warrants which would be exercisable into 75,662,192 ordinary shares of the Company).

The maximum number of new shares that would be allotted and issued upon full exercise of the outstanding private placement warrants was 950,000,000 shares as at 30 September 2015. (As at 30 September 2014: 110,000,000 shares)

In 3Q2015, no employee share options were exercised. As at 30 September 2015, the Company had 107,750,000 outstanding employee share options (As at 30 September 2014: 2,750,000 employee share options).

There were no treasury shares as at 30 September 2015 and 30 September 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**

	Number of shares 30.09.2015	31.12.2014
Total number of issued shares excluding treasury shares	1,899,133,315	1,889,650,715

There were no treasury shares as at 30 September 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 does 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 as at 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	
	Three months ended		Nine months ended	
	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)
(a) Based on weighted average number of shares (cents)	(0.04)	(0.24)	(0.07)	(0.24)
(b) Based on fully diluted basis (cents) ⁽¹⁾	(0.04)	(0.24)	(0.07)	(0.24)
Weighted average number of shares	1,899,133,315	1,889,650,715	1,894,186,841	1,856,194,119

(1) The warrants and options were not included in the computation of the diluted loss per share because these potential ordinary shares were 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	
	30.09.2015 (Unaudited)	31.12.2014 (Audited)	30.09.2015 (Unaudited)	31.12.2014 (Audited)
Net asset value per ordinary share based on issued share capital as at end of the period (Singapore cents)	0.52	0.52	0.51	0.51

The net asset value per ordinary share of the Group and the Company as at 30 September 2015 and 31 December 2014 were calculated based on 1,899,133,315 ordinary shares and 1,889,650,715 ordinary shares respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- 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
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Third quarter ended 30 September 2015 ("3Q2015") vs. 30 September 2014 ("3Q2014") and financial period ended 30 September 2015 ("9M2015") vs. 30 September 2014 ("9M2014")

Review of the Income Statement of the Group

i) Revenue

	Group (Unaudited)				Group (Unaudited)			
	3Q2015	3Q2014	Variance		9M2015	9M2014	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading & distribution	1,167	2,406	(1,239)	-51%	4,706	8,544	(3,838)	-45%
Total	<u>1,167</u>	<u>2,406</u>			<u>4,706</u>	<u>8,544</u>		

Group's revenue decreased by 51% to S\$1.2 million in 3Q2015 as compared to 3Q2014 and 45% to S\$4.7 million in 9M2015 as compared to 9M2014. The decline in revenue was due to further weakening of market demand and increasing import competition from competing steel producing countries with huge surplus productions.

Review of the Income Statement of the Group (continued)

ii) Gross profit and gross profit margin

The Group's gross profit from operations has recorded a marginal decline of S\$106,000 and S\$205,000 for 3Q2015 and 9M2015 respectively as compared to its previous corresponding financial periods. The decline was due to lower demand and also the elimination of lower margin contribution business.

Gross profit margin however has increased 6.5% from 14.6% in 3Q2014 to 21.1% in 3Q2015 and 6.7% increase from 13.4% in 9M2014 to 20.1% in 9M2015. The improved gross profit margin was mainly due to higher percentage sales mix of higher margin products.

iii) Other operating income

The other operating income comprises mainly of interest earned from fixed deposits.

iv) Selling and distribution expenses

Due to overall decline in sales, the selling and distribution costs for 3Q2015 was S\$110,000 as compared to S\$123,000 in 3Q2014. The 9M2015 was S\$352,000 and S\$364,000 for 9M2015 and 9M2014 respectively.

v) Administrative expenses

Administrative expenses increased by S\$427,000 from S\$425,000 in 3Q2014 to S\$852,000 in 3Q2015 mainly due to the employee share option costs of S\$178,000 (9M2015 is S\$532,000) to be expensed off over the one year vesting period (from 2 October 2014 to 1 October 2015) for the Share Options granted on 2 October 2014. In addition, professional fees incurred in relation to the proposed acquisition of aesthetic medical business (the "Proposed Acquisition") have resulted in the increase of administrative expenses of S\$241,000 and S\$309,000 for 3Q2015 and 9M2015 respectively.

vi) Other operating expenses

Included in the 3Q2014 and 9M2014 other operating expenses was S\$4.4 million non-cash accounting loss recorded due to the termination agreement with Infinite Rewards Inc. in relation to the proposed reverse takeover involving Reflection Oasis Inc. This loss was due to the timing of issuance and return of the 95 million introducer shares and the corresponding market price differential of these shares at these times. Please refer to the announcement dated 25 July 2014 for more details.

Excluding the impact of the S\$4.4 million which is a non-cash expense, it would have been an S\$84,000 gain in 3Q2014 as compared to S\$9,000 loss in 3Q2015 mainly due to unrealized foreign exchange loss arising from the strengthening of US and Euro currency in 3Q2015.

vii) Finance costs

Finance costs comprised mainly of interest incurred on trade financing. Finance costs decreased by 33% from S\$6,000 in 3Q2014 to S\$4,000 in 3Q2015, and also decrease from S\$30,000 in 9M2014 to S\$13,000 in 9M2015 due to the decrease in the utilisation of trade financing facilities.

Review of the Income Statement of the Group (continued)

viii) Income tax expense

Income tax credit of S\$1,000 in 9M2015 is primarily due to the over-provision of tax expense for financial year ended 31 December 2015, adjusted in 1Q2015.

Review of the Financial Position of the Group

ix) Balance sheet

Assets

Trade receivables of S\$324,000 as at 30 September 2015 was S\$627,000 lower than 31 December 2014 of S\$951,000 due to overall decline in metal trading activities and hence revenue.

Despite the reduction in metal trading activities, inventory has increased by S\$160,000 during the period to meet a committed demand from a customer.

Liabilities

The overall reduction in sales volume has resulted in the decrease in trade payables from S\$384,000 in 31 December 2014 to S\$257,000 in 30 September 2015.

The reduction of bank borrowings from S\$474,000 in 31 December 2014 to S\$117,000 in 30 September 2015 was due to less utilization of bank trade facilities.

The increase of S\$88,000 in other payables was due to accrual of professional fees relating to the Proposed Acquisition.

Income tax payable is lower as compared to 31 December 2014 due to tax payment of approximately S\$208,000 of prior years.

The Group had a positive working capital of S\$9.9 million as at 30 September 2015 as compared to S\$9.8 million (excluding prepayments) as at 31 December 2014.

Review of the Cash Flow Statement of the Group

x) Cash flow

Operating cash outflow before working capital changes was S\$540,000.

Net cash used in operations was S\$13,000 mainly due to loss before taxation offset by positive changes in working capital. The positive working capital changes were mainly due to the decrease in inventories and receivables of S\$442,000 and S\$195,000 respectively and offset by a decrease in payables of S\$104,000.

The net cash inflow from financing activities amounted to S\$225,000 was due mainly to receipts of the proceeds from issuance of warrants amounting to S\$840,000 and the repayment of bank borrowings of S\$615,000.

The cash and cash equivalents balances at the end of the period were S\$9.8 million.

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 demand for steel and the steel production in our market remains weak, deteriorating and challenging going forward as a result of the continuing slowing global economy and the huge surplus of accumulated steel production of China. Hence our sales and performance will be affected accordingly.

On 6 November 2015, the Company has successfully obtained the approval from shareholders for its proposed acquisition of a 51% stake in a Taiwanese aesthetic medicine group ("Diversification and Acquisition business"). The Diversification and Acquisition business was completed on 6 November 2015 save for the listing and quotation of the 550 million consideration shares to be approved by SGX-ST in which the consideration shares will be held under moratorium for a year.

This Diversification and Acquisition of business shall also serve as a springboard for the Company to venture into China's fast growing healthcare market.

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 does not have a general mandate from shareholders for IPTs.

13. Use of Proceeds

As at 6 November 2015, the net proceeds had been utilised as follows:

Use of Proceeds	Allocation of net proceeds raised	Amount Utilised to 12 Aug 2015	Amount Utilised from 12 Aug to 6 Nov 2015	Amount Unutilised
	(S\$)	(S\$)	(S\$)	(S\$)
(A) Proceeds from Rights cum Warrants Issue ¹				
Funding Growth Expansion	3,996,291	802,253 ²	-	3,194,038
Working Capital	2,664,194	2,664,194	-	-
(B) Proceeds from the exercise of ESOS ³				
Working Capital	169,800	169,800	-	-
(C) Proceeds from the exercise of warrants ⁴				
Working Capital	9,216,000	6,008,092	532,958	2,674,950
(D) Proceeds from 840 million warrant placement ⁵				
Funding Growth Expansion	588,000	-	-	588,000
Working Capital	252,000	-	-	252,000
Total Amount	16,886,285	9,644,339	532,958	6,708,988

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 30 September 2015. The funds used for working capital mainly related to payment of staff salaries, administrative expenses, finance expenses, operating expenses and Directors' remuneration.
2. Included in the amount is the settlement sum of S\$500,000 from the Vendor which had been utilised to offset the professional fees incurred in relation to the termination of the proposed reverse takeover, as announced on 25 July 2014.
3. The proceeds from the exercise of ESOS were fully utilised 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 6 June 2011, 14 June 2013 and 13 December 2013. S\$4.8 million of the total funds earmarked for the working capital had been reallocated for the repayment of inter-company loan to its subsidiary and repayment of loan to a director and substantial shareholder. The other S\$533,000 incurred during current 3Q2015 were utilised for working capital as in the purposes disclosed in note 1.
5. The warrants issue related to non-listed, non-transferrable warrants to various individuals as announced on 11 June 2015.

14. 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 3Q2015 to be false or misleading in any material aspect.

By Order of the Board
Tai Kok Chuan
Chief Executive Officer and Managing Director
9 November 2015