



SHC CAPITAL ASIA LIMITED

(Co Registration No: 201201631D)

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

Background

*On 1 August 2014, SHC Capital Asia Limited (the “**Company**”) completed the disposal of the entire issued and paid-up share capital of its wholly owned subsidiary, SHC Insurance Pte. Ltd. (“**SHCI**”)(“the **Disposal**”). Please refer to the Company’s circular dated 10 July 2014 in relation to, inter alia, the Disposal (“**Circular**”) for further details.*

*Following the completion of the Disposal, SHCI ceased to be a subsidiary of the Company and the Company had since become a cash company under Rule 1017 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). Accordingly, only the Company’s financial statements for the financial year ended 31 December (“**FY**”) 2015 has been presented in this announcement (unless otherwise stated).*

*On 2 June 2015, the Company announced that it had on 29 May 2015 entered into a sale and purchase agreement (the “**SPA**”) with CUIKS Limited, MENGGS Limited, LILC Limited, Jongkol Trakulyingcharoen, Flourishing Profits Venture Limited, Hong Liang and Teoh Sew Hock (collectively, the “**Existing Vendors**”) to acquire the entire issued and paid-up share capital of Tong Da Medical Device Limited (the “**Target Company**”) (the “**Sale Shares**”) for a purchase consideration of S\$120.0 million (the “**Purchase Consideration**”) (the “**Proposed Acquisition**”).*

*The Company had on 2 November 2015 announced that the Company and the Vendors (collectively the “**Parties**” and each a “**Party**”) have, through an exchange of correspondence, agreed on 2 November 2015 to a mutual termination of the SPA (the “**Termination**”) with effect from 31 October 2015 (the “**Termination Date**”), pursuant to which Parties have agreed, inter alia, that with effect from the Termination Date, all Parties shall be released and discharged from all of their respective obligations and liabilities under the SPA.*

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

Statement of Comprehensive Income

		Company		
	Notes	FY2015 S\$'000	FY2014 S\$'000	% Change +/(-)
Gain on disposal of subsidiary (see note a below)		-	64,725	n.m
Finance and other income	1	92	3,597	-97%
Total income		92	68,322	n.m
Staff costs	2	(9)	(140)	-94%
Depreciation of plant & equipment		(125)	(62)	-102%
Other operating expenses	3	(2,636)	(1,559)	-69%
Total expenses		(2,770)	(1,761)	-57%
(Loss)/Profit before income tax from continuing operations		(2,678)	66,561	n.m
Income tax expenses		(3)	-	n.a
(Loss)/Profit for the year		(2,681)	66,561	n.m
Other comprehensive Income		-	-	n.a
Other comprehensive income for the year, net of tax		-	-	n.a
Total comprehensive income for the year		(2,681)	66,561	n.m

n.m: not meaningful

n.a: not applicable

(a) "Gain on disposal of subsidiary" relates to the net gain recorded by the Company arising from the Disposal, after deducting (i) the cash amount of S\$7.816 million paid to the holders of the options previously granted under the SHC Asia Employee Share Option Scheme and the SHC Capital Employee Share Option Scheme ("Options") in connection with the Disposal ("Options Redemption Consideration"); (ii) the amount of S\$0.948 million contributed by the Company towards the management retention bonuses payable to certain key management of SHCI pursuant to the terms of the Disposal ("Management Retention Amount"); and (iii) professional fees of S\$3.894 million incurred in connection with the Disposal. Please refer to the Circular for further details on the Options Redemption Consideration and the Management Retention Amount.

Notes to the Statement of Comprehensive Income

The following items have been included in arriving at the (loss)/profit for the year for the Company:

	Company	
	FY2015 S\$'000	FY2014 S\$'000
1. Finance and other income		
Interest income		
- Fixed deposits with banks (security deposits)	46	31
- Cash and cash equivalents	46	31
Dividend income	-	3,526
Sundry income	-	9
	<u>92</u>	<u>3,597</u>
2. Staff costs		
Salaries, bonus and other benefits	9	139
Employer's Central Provident Fund contributions	-	1
	<u>9</u>	<u>140</u>
3. Other operating expenses includes:-		
Audit fees	37	12
Directors' fees	346	443
Loss on change in valuation of call option (see note a below)	-	400

(a) "Loss on changes in valuation of call option" relates to the change in fair value of the call option previously held by the Company which entitled the Company to purchase up to 55% of the issued and paid up share capital of PT Asuransi Parolamas ("**Call Option**") subject to certain conditions. As announced by the Company on 14 August 2014, the Call Option has been terminated and the deposit of S\$300,000 previously paid for the Call Option has been refunded to the Company.

1(b)(i) A Statement of Financial Position (for the Company), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Company	
	As at 31/12/2015 Unaudited S\$'000	As at 31/12/2014 Audited S\$'000
Assets		
Plant and equipment	439	564
Deposits, prepayments and other assets	9	26
Cash and cash equivalents	38,896	68,901
Total assets	39,344	69,491
Liabilities		
Other payables	484	412
Total liabilities	484	412
Net assets	38,860	69,079
Shareholders' equity		
Share capital	40,144	40,144
Accumulated (losses)/profits	(1,284)	28,935
Total shareholders' equity	38,860	69,079

1(b)(ii) In relation to the aggregate amount of the Company's borrowings and debt securities, specify the following as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year:

	As at 31/12/2015 Secured S\$'000	As at 31/12/2015 Unsecured S\$'000	As at 31/12/2014 Secured S\$'000	As at 31/12/2014 Unsecured S\$'000
Amount repayable in one year or less or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

Details of any collateral

Not applicable.

1(c) A Statement of Cash Flows (for the Company), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Cash Flows

	Company	
	FY2015 S\$'000	FY2014 S\$'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(2,678)	66,561
Adjustments for:		
Depreciation of plant and equipment	125	62
Gain on disposal of investment in subsidiary	-	(64,725)
Changes in valuation of option, derivative	-	400
Transfer of share option reserves to accumulated profits	-	89
Termination of Employee Share Options Scheme	-	(32)
Interest income	(92)	(61)
Dividend income	-	(3,526)
Operating cash flows before changes in working capital	(2,645)	(1,232)
Changes in working capital:		
Other receivables	-	(9)
Deposits, prepayments and other assets	17	(8)
Amount due from related companies	-	(1,025)
Other payables	72	(44)
Cash used in operations	(2,556)	(2,318)
Interest received	92	61
Income tax paid	(3)	-
Dividend received	-	3,526
Cash flows (used in)/from operating activities	(2,467)	1,269
Investing activities		
Acquisition of plant and equipment	-	(626)
Receipt from termination of option, derivative	-	300
Net proceeds from disposal of investment in subsidiary	-	104,680
Deposit withheld as collateral for standby letter of credit	-	(12,500)
Deposit withheld in escrow account	27,493	(46,894)
Cash flows from investing activities	27,493	44,960
Financing activities		
Dividend paid	(27,538)	(37,575)
Issue of ordinary shares	-	189
Cash flows used in financing activities	(27,538)	(37,386)
Net (decrease)/increase in cash and cash equivalents	(2,512)	8,843
Cash and cash equivalents at beginning of the year	9,507	664
Cash and cash equivalents at the end of the year	6,995	9,507
Analysis of cash and cash equivalents		
Cash and bank balances	32,142	59,734
Fixed deposits	6,754	9,167
	38,896	68,901
Less: Deposit withheld as collateral for standby letter of credit	(12,500)	(12,500)
Deposit withheld in escrow account	(19,401)	(46,894)
Cash and cash equivalents in the Statement of Cash Flows	6,995	9,507

1(d)(i) A statement (for the Company) 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

	Share capital	Employee share options scheme reserves	Accumulated (losses)/ profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>				
As at 1 January 2014	39,955	32	(140)	39,847
Total comprehensive income for the year				
Profit for the year	-	-	66,561	66,561
Total comprehensive income for the year	-	-	66,561	66,561
Issue of employee share options	-	57	-	57
Employee share options exercised	189	-	-	189
Transfer of share option reserve to accumulated profits reserves	-	(89)	89	-
Dividend for FY2013 and interim special dividend for FY2014	-	-	(37,575)	(37,575)
Total transactions with owners	189	(32)	(37,486)	(37,329)
As at 31 December 2014	40,144	-	28,935	69,079
As at 1 January 2015	40,144	-	28,935	69,079
Total comprehensive income for the year				
Loss for the year	-	-	(2,681)	(2,681)
Total comprehensive income for the year	-	-	(2,681)	(2,681)
Dividend for year FY2014	-	-	(27,538)	(27,538)
Total transactions with owners	-	-	(27,538)	(27,538)
As at 31 December 2015	40,144	-	(1,284)	38,860

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 year 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 year of the immediately preceding financial year.

Share Capital

There was no change in the issued and paid-up share capital of the Company from 1 January 2015 to 31 December 2015 (S\$40,144,000, comprising 305,982,583 issued Shares).

Convertible Securities

During FY2014, the Company had 29,972,000 Varied Options/Options, which entitled holders to subscribe for 29,972,000 Shares. In connection with the Disposal, the Company had obtained the approval of the Company's shareholders ("Shareholders") at the extraordinary general meeting of the Company held on 25 July 2014, for the redemption and cancellation of all the outstanding Options by the Company following the completion of the Disposal. The Company had subsequently paid the Options Redemption Consideration amounting to approximately S\$7.816 million in November 2014 and fully redeemed all the 29,972,000 Options.

Save as disclosed above, the Company did not have any outstanding Options, convertibles or any treasury shares as at 31 December 2015 and 31 December 2014.

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.

	Company	
	31/12/2015	31/12/2014
Total number of issued Shares	305,982,583	305,982,583

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.

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 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.

Yes, the Company has applied the same accounting policies and methods of computation in the unaudited financial statements for FY2015 as those in its audited financial statements for FY2014.

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 as there are no changes in the accounting policies and methods of computation including any required by an accounting standard.

6 Earnings per ordinary share of the Company for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Company	
	FY2015	FY2014
Earnings per Share for the period based on net (loss)/profit attributable to Shareholders:-		
(a) Basic earnings per Share (Cents)	(0.88)	21.78
- Weighted average number of Shares	305,983,000	305,660,000
(b) Diluted earnings per Share (Cents)	(0.88)	21.59
- Weighted average number of Shares	305,983,000	308,354,000

In FY2015, the basic earnings per Share and the diluted earnings per Share are the same as the Options have been fully redeemed and cancelled in November 2014.

7 Net asset value (for the Company) 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 year reported on; and
(b) immediately preceding financial year.

	Company	
	As at 31/12/2015 (Cents)	As at 31/12/2014 (Cents)
Net asset value per Share based on the issued share capital (excluding treasury shares) as at the end of the respective year	12.70	22.58

The net asset value per Share has been computed based on the total issued share capital of 305,982,583 shares as at 31 December 2015 and 31 December 2014.

8 A review of the performance of the Company, to the extent necessary for a reasonable understanding of the Company's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the Company 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 Company during the current financial year reported on.

Statement of Comprehensive Income

In FY2015, the Company recorded finance and other income of S\$0.092 million which related to interest income from bank deposits. This was compared to S\$3.597 million recorded in FY2014 which largely related to dividend income received from SHCI before the Disposal. The Company also recorded a net gain from the Disposal of S\$64.725 million in FY2014. There was no such item in FY2015.

The Company incurred other operating expenses of S\$2.636 million in FY2015, compared to S\$1.559 million in FY2014. Such expenses in FY2015 related mainly to (i) fees paid to the interim CEO and interim CFO; and (ii) professional fees in respect of the Proposed Acquisition and the Potential Transaction (as defined in Note 10 below).

As a result of the above, the Company reported a net loss of S\$2.681 million in FY2015 compared to a net profit of S\$66.561 million in FY2014.

Statement of Financial Position

Following the completion of the Disposal, the assets of the Company as at 31 December 2015 comprised mainly cash of S\$38.896 million of which S\$19.401 million had been placed in an escrow account and S\$12.500 million was held under collateral for standby letter of credit in connection with the Disposal. Other payables of S\$0.484 million as at 31 December 2015 comprised mainly accruals of statutory costs and Directors' fees.

Statement of Cash Flows

Net cash used in operating activities in FY2015 of S\$2.467 million was due mainly to payment of fees for the interim CEO and interim CFO as well as professional fees related to the Proposed Acquisition and the Potential Transaction (as defined in Note 10 below).

Net cash from investing activities in FY2015 of S\$27.493 million was due to a withdrawal from the escrow account for payment of dividend to Shareholders for the financial year ended 31 December 2014.

Net cash used in financing activities in FY2015 of S\$27.538 million was due mainly to dividend paid to Shareholders in respect of FY2014.

Please also refer to the monthly announcements released by the Company in relation to the use of cash for further details.

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

Not applicable, there has not been any forecast 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 company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.

On 20 January 2016, the Company announced that it had on the same day entered into a non-binding memorandum of understanding (the “**MOU**”) with four (4) parties, comprising two (2) corporate entities and two (2) individuals (collectively, the “**Vendors**”) with a view to acquire the following:-

- (i) certain tourism and hospitality businesses and/or assets in Myanmar (the “**Vendor Assets**”), at not less than 50% plus one (1) share of the Vendor Assets (and, in the case of one particular Vendor Asset, not less than 75%), such that the Company will have majority control of and is otherwise able to consolidate each of the respective Vendor Assets upon the completion (“**Completion**”) of the Potential Transaction (as defined below) (the “**Potential Acquisition**”); and
- (ii) an option (the “**Potential Option**”) from certain parties to be procured by one of the Vendors (the “**Option Parties**”) to acquire certain tourism assets in Myanmar (the “**Option Asset**”), at a nominal consideration of S\$1.00 for the grant of such option.

The Potential Acquisition and the Potential Option shall collectively be referred to as the “Potential Transaction”.

On 29 January 2016, the Company announced that, pursuant to an application to the SGX-ST, the SGX-ST had on 28 January 2016 granted the Company, in its capacity as a cash company, a further extension of time to meet the requirements for a new listing, from 1 February 2016 to 31 December 2016 (the “**Further Extension**”), subject to certain conditions (“**Conditions**”). Please refer to the abovementioned announcement for further details, including the Conditions and the reasons for seeking the Further Extension.

Shareholders should note that the terms of the MOU are non-binding and are subject to further negotiations and changes. There is no certainty or assurance that the Definitive Agreement (as defined below) will be entered into and/or that the Potential Transaction will materialise. Further details of the Potential Transaction will be announced after a definitive binding agreement in relation to the Potential Transaction (the “**Definitive Agreement**”) has been entered into or at such other time as may be appropriate after the terms of the Potential Transaction have been finalised.

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?

Yes. Following the completion of the Disposal, the Company declared an interim special dividend of S\$0.12 per Share (tax-exempt one-tier) (“**Interim Special Dividend**”) in respect of FY2014. The Interim Special Dividend was paid out in August 2014. In addition, the Company declared a final dividend of S\$0.09 per Share (tax exempt one-tier) in respect of FY2014 which was paid out in May 2015.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The board of directors (the “**Directors**”) of the Company does not propose to declare any dividend in respect of FY2015.

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.

The Company does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 902(1)(a)(ii) of the Catalyst Rules.

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

Not applicable as the Company has no operating business after completion of the Disposal.

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

Not applicable as the Company has no operating business after completion of the Disposal.

16 A breakdown of sales

Description	Company		
	FY2015 S\$'000	FY2014 S\$'000	Change %
Revenue reported for the first half year	-	-	n.a
(Loss)/Profit after tax before minority interests reported for the first half year	(1,319)	3,061	n.m
Revenue reported for the second half year	-	-	n.a
(Loss)/Profit after tax before minority interests reported for the second half year	(1,362)	63,500	n.m

n.m: not meaningful

n.a: not applicable

The Company has no operating business after completion of the Disposal.

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

Description	FY2015 S\$'000	FY2014 S\$'000
Ordinary	-	27,538
Special	-	36,718
Preference	n.a	n.a
Total	-	64,256

n.a: not applicable

18 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.

The Directors confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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

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

BY ORDER OF THE BOARD

Teo Yiam Beng
Interim Chief Financial Officer
25 February 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms. Goh Mei Xian, Associate Director and Deputy Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, Telephone: (65) 6854 6160.