



**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)**

SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (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

	Group			Increase/ (Decrease) %	Group		
	3 months ended		6 months ended		Increase/ (Decrease) %		
	30.06.16 (Unaudited) S\$'000	30.06.15 (Unaudited) S\$'000	30.06.16 (Unaudited) S\$'000			30.06.15 (Unaudited) S\$'000	
Revenue	816	1,739	-53%	1,879	3,539	-47%	
Cost of Sales	(408)	(1,346)	-70%	(1,114)	(2,841)	-61%	
Gross Profit	408	393	4%	765	698	10%	
Other income	17	16	6%	151	35	331%	
Selling and distribution expenses	(112)	(123)	-9%	(207)	(242)	-14%	
Administrative expenses	(1,275)	(561)	127%	(2,385)	(1,039)	130%	
Other operating (expenses)/ income	(138)	(18)	666%	(213)	6	N/M	
Finance expenses	(13)	(4)	225%	(13)	(9)	44%	
Loss for the financial period before income tax	(1,113)	(297)	275%	(1,902)	(551)	245%	
Income tax (expense)/ credit	(6)	-	N/M	(6)	2	N/M	
Net loss	(1,119)	(297)	277%	(1,908)	(549)	248%	
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation loss	(16)	-	N/M	(46)	-	N/M	
Other comprehensive loss, net of tax	(16)	-	N/M	(46)	-	N/M	
Total comprehensive loss	(1,135)	(297)	283%	(1,954)	(549)	256%	
Loss attributable to:							
Equity holders of the Company	(985)	(297)	232%	(1,627)	(549)	196%	
Non-controlling interests	(134)	-	N/M	(281)	-	N/M	
	(1,119)	(297)	277%	(1,908)	(549)	248%	
Loss attributable to:							
Equity holders of the Company	(1,002)	(297)	238%	(1,670)	(549)	204%	
Non-controlling interests	(133)	-	N/M	(284)	-	N/M	
Net loss for the financial period	(1,135)	(297)	283%	(1,954)	(549)	256%	

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3 months ended			6 months ended		
	30.06.16 (Unaudited)	30.06.15 (Unaudited)		30.06.16 (Unaudited)	30.06.15 (Unaudited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on borrowings	(13)	(4)	225%	(13)	(9)	44%
Depreciation of property, plant and equipment	(39)	(2)	1850%	(78)	(4)	1850%
Write off of property, plant and equipment	-	-	N/M	(3)	-	N/M
Currency exchange gain/ (loss)	16	(17)	N/M	(22)	7	N/M

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 30.06.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000	As at 30.06.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	5,188	3,519	1,720	2,031
Trade receivables	283	466	-	-
Other receivables and prepayments	3,840	332	2,091	79
Inventories	243	434	-	-
Total current assets	9,554	4,751	3,811	2,110
Non-current assets				
Investments in subsidiary corporations	-	-	18,402	18,402
Property, plant and equipment	340	373	32	2
Intangible asset	418	418	-	-
Goodwill	17,886	17,886	-	-
Total non-current assets	18,644	18,677	18,434	18,404
Total assets	28,198	23,428	22,245	20,514
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	321	127	-	-
Other payables	4,934	4,900	3,863	3,932
Borrowings	3,498	-	-	-
Total current liabilities	8,753	5,027	3,863	3,932
Non-current liabilities				
Deferred income tax liabilities	71	71	-	-
Total non-current liabilities	71	71	-	-
Total liabilities	8,824	5,098	3,863	3,932
Net assets	19,374	18,330	18,382	16,582
Capital and reserves attributable to equity holders of the Company				
Share capital	49,485	46,485	49,485	46,485
Other reserves	(30,549)	(28,878)	(31,103)	(29,903)
Share capital and reserves	18,936	17,607	18,382	16,582
Non-controlling interests	438	723	-	-
Total equity	19,374	18,330	18,382	16,582

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

	Group	
	30.06.2015 (Unaudited)	31.12.2015 (Audited)
	S\$'000	S\$'000
Amount repayable in one year or less or on demand		
Loan	3,498	-
	<u>3,498</u>	<u>-</u>

The loan is secured by a corporate guarantee granted by the Company and a deed of guarantee granted by the Company's substantial shareholder Dato Dr Choo Yeow Ming.

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

	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Net loss	(1,119)	(297)	(1,908)	(549)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	6	-	6	(2)
Depreciation of property, plant and equipment	39	2	78	4
Write off of property, plant and equipment	-	-	3	-
Employee share option expense	-	177	-	354
Unrealised currencies translation (loss)/ gain	(19)	(1)	(1)	7
Interest expense	13	4	13	9
Operating cash flows before movements in working capital	(1,080)	(115)	(1,809)	(177)
Trade and other receivables	(1,587)	468	(3,326)	344
Inventories	(69)	(472)	191	(602)
Trade and other payables	320	194	228	65
Cash (used in)/ generated from operations	(2,416)	75	(4,716)	(370)
Income tax paid	(6)	(2)	(6)	(206)
Interest expense	(13)	(4)	(13)	(9)
Net cash (used in)/ provided by operating activities	(2,435)	69	(4,735)	(585)
Cash flows used in investing activities				
Purchase of property, plant and equipment	(35)	(1)	(58)	(1)
Net cash used in investing activities	(35)	(1)	(58)	(1)
Cash flows from financing activities				
Proceeds from exercise of warrants	-	47	-	47
Proceeds/ (repayment) of borrowings	3,498	(80)	3,498	258
Proceeds from issuance of new shares	-	-	3,000	-
Net cash provided by/ (used in) financing activities	3,498	(33)	6,498	305
Net increase/ (decrease) in cash and cash equivalents	1,028	35	1,705	(281)
Beginning of the financial period	4,158	9,521	3,519	9,837
Effect of currency translation on cash and cash equivalents	2	-	(36)	-
End of the financial period	5,188	9,556	5,188	9,556

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the followings:

	Group			
	3 months ended		6 months ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	5,188	9,556	5,188	9,556
Less: bank deposits pledged	<u>(1,500)</u>	<u>(2,530)</u>	<u>(1,500)</u>	<u>(2,530)</u>
Cash and cash equivalents per consolidated statement cash flows	<u>3,688</u>	<u>7,026</u>	<u>3,688</u>	<u>7,026</u>

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 01.01.2015	38,114	9	(29,169)	506	299	9,759	-	9,759
Exercise of warrants	71				(24)	47		47
Employee Share Option Scheme								-
- Value of employee services	-	-	-	354	-	354	-	354
Other comprehensive income	-	7	-	-	-	7	-	7
Total comprehensive loss for the period	-	-	(549)	-	-	(549)	-	(549)
Balance as at 30.06.2015	38,185	16	(29,718)	860	275	9,618	-	9,618
(Unaudited)								
Balance as at 01.01.2016	46,485	12	(31,043)	1,038	1,115	17,607	723	18,330
Issuance of new shares	3,000	-	-	-	-	3,000	-	3,000
Other comprehensive income	-	(44)	-	-	-	(44)	(4)	(48)
Total comprehensive loss for the period	-	-	(1,627)	-	-	(1,627)	(281)	(1,908)
Balance as at 30.06.2016	49,485	(32)	(32,670)	1,038	1,115	18,936	438	19,374

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)

	Share capital	Accumulated losses	Share option reserves	Warrant reserve	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)					
Balance as at 01.01.2015	38,114	(29,215)	506	299	9,704
Exercise of warrants	71		354	(24)	401
Employee Share Option Scheme					
- Value of employee services	-	-	-	-	-
Total comprehensive loss for the period	-	(769)	-	-	(769)
Balance as at 30.06.2015	38,185	(29,984)	860	275	9,336
(Unaudited)					
Balance as at 01.01.2016	46,485	(32,055)	1,037	1,115	16,582
Issuance of shares	3,000	-	-	-	3,000
Total comprehensive loss for the period	-	(1,200)	-	-	(1,200)
Balance as at 30.06.2016	49,485	(33,255)	1,037	1,115	18,382

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 April 2016	2,949,133,315	49,485
Balance as at 30 June 2016	2,949,133,315	49,485

The issued and paid up capital of the Company remain at approximately S\$49,485,000 comprising 2,949,133,315 shares as at 30 June 2016.

No warrants pursuant to the Rights cum Warrants Issue were exercised during the financial period ended 30 June 2016 ("2Q2016"). As at 30 June 2016, there were 66,179,592 (30 June 2015: 66,179,592) outstanding warrants pursuant to the Rights cum Warrants Issue which may be exercisable into 66,179,592 (30 June 2015: 66,179,592) ordinary shares of the Company.

There was no exercise of the 110 million of the non-listed, non-transferrable warrants issued on 12 December 2013 at an exercise price of S\$0.04338 per warrant exercisable into 110 million shares of the Company. 110 million warrants were outstanding as at 30 June 2016. (As at 30 June 2015: 110 million warrants).

840 million of the non-listed, non-transferable warrants issued on 13 July 2015 at an exercise price of S\$0.01125 per warrant exercisable into 840 million ordinary shares of the Company were outstanding as at 30 June 2016. (30 June 2015: Nil)

In 2Q2016, no employee share options were exercised. As at 30 June 2016, the Company had 107,550,000 (30 June 2015: 107,750,000) outstanding employee share options. There were no employee share options exercised during 31 March 2016 to 2Q2016. 200,000 employee share options had lapsed following the cessation of employment of an employee.

There were no treasury shares as at 30 June 2016 and 30 June 2015.

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

	Company 30.06.2016	Company 31.12.2015
Total number of issued shares excluding treasury shares	2,949,133,315	2,649,133,315

There were no treasury shares as at 30 June 2016 and 31 December 2015.

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 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 2015.

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		6 months ended	
	30.06.2016 (Unaudited)	30.06.2015 (Unaudited)	30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
Basic (Singapore cents) ⁽¹⁾	(0.035)	(0.016)	(0.057)	(0.029)
Diluted (Singapore cents) ⁽²⁾	(0.035)	(0.016)	(0.057)	(0.029)

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\$985,000 for 3 months period ended 30 June 2016(30 June 2015: S\$297,000) and loss attributable to equity holders of the Company of approximately S\$1,627,000 for 6 months period ended 30 June 2016 (30 June 2015: S\$549,000). divided by the weighted average number of shares of 2,848,583,864 shares (30 June 2015: 1,892,870,815 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	
	30.06.16 Unaudited	31.12.15 Audited	30.06.16 Unaudited	31.12.15 Audited
Net asset value per ordinary share (Singapore cents)	0.64	0.66	0.62	0.63

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 June 2016 and 31 December 2015 divided by 2,949,133,315 ordinary shares (31 December 2015: 2,649,133,315 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:**
- 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.**

Review of the Income Statement of the Group

- i) Revenue

Revenue	2Q2016	2Q2015	Variance		6M2016	6M2015	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading and distribution	608	1,739	(1,131)	-65%	1,392	3,539	(2,147)	-61%
Medical Aesthetic	208	-	208	N/M	487	-	487	N/M
Total	816	1,739			1,879	3,539		

The Group's revenue from its trading and distribution operations for 2Q2016 was S\$0.608 million, a decrease of S\$1.131 million as compared to the revenue of S\$1.739 million in the previous corresponding financial period ended 30 June 2015 ("2Q2015"). In terms of 6 months performance, the trading and distribution business recorded S\$1.392 million as compared to previous corresponding period of S\$3.539 million, a decrease of S\$2.147 million, the percentage of decline were 65% and 61% respectively for 3 and 6 months period. The decline in trading and distribution revenue was due to continued weakening of the market demand and production coupled with import competition from competing steel producing countries with huge surplus productions.

Medical aesthetic segment recorded S\$0.208 million of revenue during 2Q2016 (2Q2015: nil) and S\$0.487 million for 6 months period ended 30 June 2016 (2015: nil).

The revenue generated from medical aesthetic segment is from our Taiwan clinics. The performance in this segment was affected by:

- a) Keen competition in the aesthetic business in Taiwan;
- b) Significant decrease in the number of medical tourists arrival in Taiwan from mainland China due to political and other factors. Medical tourists from China had contributed a major portion to the revenues of our Taiwan clinics; and
- c) China has tightened its control over private sector medical clinics and introduced tougher measures to ensure strict compliance with applicable laws and regulations. As a result, the Group has taken the view that it would be more prudent for its doctors to carry out medical procedures in clinics over which it has management control. In this regard, the Group has decreased its reliance on clinics managed by third parties and entered into agreements to form joint ventures to manage aesthetic, pediatric and anti-aging/ rejuvenation practices in two locations in Shenzhen.

ii) Gross profit and gross profit margin

The Group's gross profit from operations increased by 4% in 2Q2016 from S\$0.393 million to S\$0.407 million.

Despite lower revenue, gross profit has increased due to improved margin for trading and distribution segment and the relatively high margin from medical aesthetic segment.

iii) Other operating income

Other operating income of S\$0.02 million in 2Q2016 was mainly due to advisory income from provision of technical advisory provided by iMyth Taiwan to a third party to set up an aesthetic clinic in mainland China.

iv) Selling and distribution expenses

Selling and distribution expenses decreased by 9% in 2Q2016 mainly due to lower marketing/ customer service costs and lower outward freight charges corresponding to lower sales volume in trading and distribution segment.

v) Administrative expenses

Administrative expenses increased by S\$714,000 from S\$561,000 in 2Q2016 mainly due to additional employee costs, travelling costs and depreciation of property, plant and equipment from the medical aesthetic segment.

vi) Other operating expenses

Other operating expenses increased by approximately S\$0.12 million in 2Q2016 was mainly due to S\$0.07 million of loan set up fee for the HKD20 million (equivalent to S\$3.498 million) loan granted by Concorde Global Limited and consolidation of the other operating expenses from the medical aesthetic segment consisting of office overheads, advertisement expenses and equipment repair cost amounting to approximately S\$0.05 million.

vii) Finance expenses

Finance expenses increased by approximately S\$9,000 in 2Q2016 mainly due to accrued interest for HKD20 million loan granted by Concorde Global Limited.

viii) Income tax

Income tax expense of S\$6,000 was a tax provision for FY2016.

Review of the Financial Position of the Group

ix) Balance sheet

Total assets of the Group increased by S\$4.77 million from S\$23.43 million as at 31 December 2015 to S\$28.20 million as at 30 June 2016. This was attributable to an increase in cash and cash equivalents of S\$1.67 million and increase in other receivables and prepayments of S\$3.51 million mainly due to advances made for investments in aesthetics clinics.

Total liabilities of the Group increased by S\$3.73 million from 31 December 2015. This was mainly due to a loan of S\$3.50 million from Concorde Global Limited as announced on 20 June 2016.

Review of the Cash Flow Statement of the Group

x) Cash flow

Net cash used in operating activities in 2Q2016 amounted to S\$2.40 million and S\$4.74 million for 6 months period ended 30 June 2016. The operating cash outflows before movement in working capital was S\$1.10 million in 2Q2016. The net cash outflow from changes in working capital was mainly due to increase in trade receivables, other receivables and prepayments/ advances and a decrease in other payables and accruals during the financial period reported on.

Net cash used in investing activities of S\$0.04 million was due to purchase of property, plant and equipment.

The net cash generated from financing activities in 2Q2016 amounted to S\$3.498 million being proceeds from the loan from Concorde Global Limited.

Cash and cash equivalents were S\$5.19 million as at 30 June 2016 as compared to S\$9.56 million as at 30 June 2015.

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 remains weak and is further challenged by the continuing import competition from surpluses of the steel producing countries. In this regard, the Group expects sales and performance in the trading and distribution segment to deteriorate.

Due to the decreasing number of medical tourists in Taiwan and tightening of operation regulations for medical operation in China, the Group is actively seeking operation opportunities with new partners and in new locations to establish new operation opportunities.

The Group is enhancing the mode of operations to work directly with clinics in China where the Group has management rights. The Group intends to enter into joint venture agreements with several parties for the purpose of management of medical aesthetic clinics, and anti aging and rejuvenation practices.

The Group expects these new ventures to contribute to our revenue going forward.

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 2Q2016. 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 11 August 2016, the net proceeds had been utilised as follows:

Use of proceeds	Allocation of net proceeds raised (S\$)	Amount Utilised from 2 Feb 2016 to 21 April 2016 (S\$)	Amount utilised from 22 April 2016 to 11 August 2016 (the "Period") (S\$)	Amount Unutilised (S\$)
(A) Proceeds from the exercise of warrants				
Working Capital	9,216,000	8,767,484	448,516	-
(B) Proceeds from 840 mil warrants issue				
Funding Growth Expansion	588,000	588,000	-	-
Working Capital	252,000	-	252,000	-
(C) Proceeds from 200 mil shares placement				
Funding Growth Expansion	1,568,000	1,568,000	-	-
Working Capital	672,000	-	112,076	559,924
(D) Proceeds from 300 mil shares placement				
Funding Growth Expansion	2,100,000	1,658,000	-	442,000
Working Capital	900,000	-	-	900,000
Total Amount	15,296,000	12,581,484	812,592	1,901,924

The above use of proceeds is in accordance with the intended use as stated in the circular dated 6 March 2013 and announcements dated 11 June 2015 and 8 January 2016.

Notes:

(A) 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\$448,516 during the Period from the exercise of warrants were for working capital mainly related to payment of staff salaries, administrative expenses, operating expenses and Directors' remuneration.

(B) 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, S\$252,000 from the working capital portion of the proceeds of the warrant was fully utilised for expenses related to operation of the Group mainly relate to payment of administrative expenses and operating expenses.

(C) 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 million that was earmarked for funding growth expansion have been fully utilised.

During the Period, S\$112,076 from the working capital portion of the proceeds of the placement was utilised for expenses related to operation of the Group mainly relate to payment of administrative expenses and operating expenses.

(D) The shares placement is in relation to placement of an aggregate of 300,000,000 new ordinary shares in the issued and paid up capital of the Company to Mr Kiow Kim Yoon as announced on 8 January 2016 and 1 March 2016. S\$1.658 million has been used to fund growth expansion.

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 2Q2016 to be false or misleading in any material aspect.

By Order of the Board

Tai Kok Chuan
Executive Chairman
12 August 2016