



SHC CAPITAL ASIA LIMITED

(Co Registration No: 201201631D)

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## **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2017**

### 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, the Company has no subsidiaries and only the Company’s financial statements for the first half of 2017 (“**1H2017**”) and first half of 2016 (“**1H2016**”) are presented in this announcement.*

*The Company announced that it had on 24 October 2016 entered into a conditional sale and purchase agreement (“**SPA**”) with Yoma Strategic Investments Ltd. (“**YSIL**”), First Myanmar Investment Company Limited (“**FMI**”) and Exemplary Ventures Limited (collectively, “**Vendors**”), pursuant to which the Company shall acquire from the Vendors the entire issued and paid-up share capital (“**Sale Shares**”) of a company to be incorporated by YSIL and/or FMI which will in turn acquire the certain tourism related businesses in Myanmar, for a consideration to be satisfied in full by the issuance and allotment of new ordinary shares in the capital of the Company (“**Proposed Acquisition**”).*

*The Company announced on 14 December 2016 that a further extension of time was granted by the SGX-ST to meet the requirements for a new listing to 30 September 2017 subject to certain conditions being met. Please refer to the relevant announcements for more details.*

*The Company had completed a capital reduction via a cash distribution to the shareholders totalling S\$29,068,345 on 3 February 2017 (“**Cash Distribution**”).*

*On 30 June 2017, the Company had announced that the Company and the Vendors have entered into an extension letter pursuant to which they have agreed that the long stop date for the fulfilment or waiver of the conditions precedent set out in the SPA will be extended from 30 June 2017 to 30 September 2017. All other terms and conditions of the SPA shall remain the same.*

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

	Notes	Company		% Change + / (-)
		1H2017 S\$'000	1H2016 S\$'000	
Finance income	1	20	43	-53%
<b>Total income</b>		<u>20</u>	<u>43</u>	-53%
Staff costs	2	(4)	(4)	n.a
Depreciation of plant & equipment		(63)	(63)	n.a
Other operating expenses	3	(970)	(871)	-11%
<b>Total expenses</b>		<u>(1,037)</u>	<u>(938)</u>	-11%
<b>Loss before income tax</b>		<u>(1,017)</u>	<u>(895)</u>	-14%
Income tax expenses		-	-	n.a
<b>Loss for the period</b>		<u>(1,017)</u>	<u>(895)</u>	-14%
Other comprehensive Income		-	-	n.a
<b>Other comprehensive income for the period, net of tax</b>		<u>-</u>	<u>-</u>	n.a
<b>Total comprehensive income for the period</b>		<u>(1,017)</u>	<u>(895)</u>	-14%

n.a: not applicable

### Notes to the Statement of Comprehensive Income

The following items have been included in arriving at the loss for the year for the Company:

	Company	
	1H2017 S\$'000	1H2016 S\$'000
<b>1. Finance income</b>		
Interest income		
- Fixed deposits with banks (security deposits)	15	27
- Cash and cash equivalents	5	16
	<u>20</u>	<u>43</u>
<b>2. Staff costs</b>		
Salaries, bonus and other benefits	4	4
	<u>4</u>	<u>4</u>
<b>3. Other operating expenses include: -</b>		
Audit fees	18	20
Directors' fees	177	173
Interim management remuneration	300	300
Legal and professional fees related to the Proposed Acquisition	430	252
	<u>430</u>	<u>252</u>

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 30/06/2017 Unaudited S\$'000	As at 31/12/2016 Audited S\$'000
<b>Assets</b>		
Plant and equipment	250	313
<b>Non-current asset</b>	<u>250</u>	<u>313</u>
Deposits and prepayments	18	9
Cash and cash equivalents	6,338	36,635
<b>Current assets</b>	<u>6,356</u>	<u>36,644</u>
<b>Total assets</b>	<u><u>6,606</u></u>	<u><u>36,957</u></u>
<b>Liabilities</b>		
Other payables	204	470
<b>Total and current liabilities</b>	<u>204</u>	<u>470</u>
<b>Shareholders' equity</b>		
Share capital	11,076	40,144
Accumulated losses	(4,674)	(3,657)
<b>Total shareholders' equity</b>	<u>6,402</u>	<u>36,487</u>
<b>Total equity and liabilities</b>	<u><u>6,606</u></u>	<u><u>36,957</u></u>

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 30/06/2017 Secured S\$'000	As at 30/06/2017 Unsecured S\$'000	As at 31/12/2016 Secured S\$'000	As at 31/12/2016 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	
	1H2017 S\$'000	1H2016 S\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(1,017)	(895)
Adjustments for:		
Depreciation of plant and equipment	63	63
Interest income	(20)	(43)
Operating cash flows before changes in working capital	<u>(974)</u>	<u>(875)</u>
<b>Changes in working capital:</b>		
Deposits and prepayments	(9)	(6)
Other payables	<u>(266)</u>	<u>(199)</u>
<b>Cash used in operations</b>	<u>(1,249)</u>	<u>(1,080)</u>
Interest received	<u>20</u>	<u>43</u>
<b>Net cash used in operating activities</b>	<u>(1,229)</u>	<u>(1,037)</u>
<b>Cash flows from investing activities</b>		
Deposit released as collateral for standby letter of credit	-	11,200
Deposit released from/(withheld in) escrow account	<u>29,064</u>	<u>(10,096)</u>
<b>Net cash from investing activities</b>	<u>29,064</u>	<u>1,104</u>
<b>Cash flows from financing activity</b>		
Cash distribution to shareholders	<u>(29,068)</u>	-
<b>Net cash used in financing activity</b>	<u>(29,068)</u>	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(1,233)</u>	<u>67</u>
Cash and cash equivalents at beginning of the year	<u>5,945</u>	<u>6,995</u>
Cash and cash equivalents at the end of the year	<u><u>4,712</u></u>	<u><u>7,062</u></u>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	1,874	31,004
Fixed deposits	<u>4,464</u>	<u>6,855</u>
	6,338	37,859
Less: Deposit withheld as collateral for standby letter of credit	-	(1,300)
Deposit withheld in escrow account	<u>(1,626)</u>	<u>(29,497)</u>
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<u><u>4,712</u></u>	<u><u>7,062</u></u>

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 S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Company</b>			
As at 1 January 2016	40,144	(1,284)	38,860
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(895)	(895)
<b>Total comprehensive income for the period</b>	-	(895)	(895)
<b>As at 30 June 2016</b>	<b>40,144</b>	<b>(2,179)</b>	<b>37,965</b>
<b>As at 1 January 2017</b>	<b>40,144</b>	<b>(3,657)</b>	<b>36,487</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(1,017)	(1,017)
<b>Total comprehensive income for the period</b>	-	<b>(1,017)</b>	<b>(1,017)</b>
Cash distribution to shareholders	(29,068)	-	(29,068)
<b>Total transactions with owners of the Company</b>	<b>(29,068)</b>	-	<b>(29,068)</b>
<b>As at 30 June 2017</b>	<b>11,076</b>	<b>(4,764)</b>	<b>6,402</b>

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 period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the 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.

Share Capital

	As at 31 December 2016	As at 30 Jun 2017
No. of shares	305,982,583	305,982,583
Paid-up capital	S\$40,143,640	S\$11,075,295

The Company completed a capital reduction via a cash distribution totaling S\$29,068,345 to shareholders of the Company on 3 February 2017.

Convertible Securities and/or Treasury Shares and/or subsidiary holdings

The Company did not have any outstanding options, subsidiary holdings, convertibles or any treasury shares as at 30 June 2017 and 30 June 2016.

**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	
	30/06/2017	31/12/2016
Total number of issued shares	305,982,583	305,982,583

**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 during and as at the end of the 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 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 1H2017 as those in its audited financial statements 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 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	
	1H2017	1H2016
Earnings per share for the period based on net loss attributable to shareholders:-		
(a) Basic earnings per share (Singapore cents)	(0.33)	(0.29)
- Weighted average number of shares	305,982,583	305,982,583
(b) Diluted earnings per share (Singapore cents) <sup>(1)</sup>	(0.33)	(0.29)
- Weighted average number of shares	305,982,583	305,982,583

Note:

- (1) The basic earnings per share and the diluted earnings per share are the same as the Company has no potentially dilutive ordinary shares in issue as at the end of the respective financial periods.

**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 period reported on; and**  
**(b) immediately preceding financial year.**

	Company	
	As at 30/06/2017 Unaudited (Singapore cents)	As at 31/12/2016 Audited (Singapore cents)
Net asset value per share based on the issued share capital (excluding treasury shares) as at the end of the respective dates	2.09	11.92

The net asset value per share has been computed based on the total issued share capital of 305,982,583 shares as at 30 June 2017 and 31 December 2016.

**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 period reported on.**

**Statement of Comprehensive Income**

In 1H2017, the Company recorded finance income of S\$0.020 million from interest earned on bank deposits. The increase in other operating expenses to S\$0.970 million was mainly due to higher professional fees in relation to the Proposed Acquisition.

As a result of the above, the Company reported a net loss of S\$1.017 million in 1H2017.

## Statement of Financial Position

Following the completion of the Disposal and the Cash Distribution, the assets of the Company as at 30 June 2017 comprised mainly cash and bank balances of S\$6.338 million of which S\$1.626 million had been placed in an escrow account and S\$4.464 million in fixed deposits, the remaining S\$0.248 million was kept in current accounts. Plant and equipment as at 30 June 2017 decreased due to depreciation of motor vehicle. Other payables comprised mainly accruals of statutory costs and Directors' fees for 1H2017 and were lower mainly due to payment of Directors' fees for the financial year ended 31 December 2016 in April 2017.

## Statement of Cash Flows

Net cash used in operating activities in 1H2017 of S\$1.229 million was due mainly to payment of fees for the interim CEO and interim CFO and Directors' fees for the financial year ended 31 December 2016 as well as professional fees related to the Proposed Acquisition.

Net cash generated from investing activity in 1H2016 of S\$29.064 million was due to the release of deposit from the escrow account for the payment of Cash Distribution.

Net cash used in financing activity in 1H2017 of S\$29.068 million was due to the payment of Cash Distribution. As a result of above, there was a net decrease in cash and cash equivalents of S\$1.233 million in 1H2017 and as at 30 June 2017, the Company had cash and cash equivalents of S\$4.712 million.

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 as there has not been any forecast or prospect statement 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.**

As at the date of this announcement, the Company is currently conducting due diligence investigations in relation to the Proposed Acquisition.

Further announcements on the Proposed Acquisition will be made as and when there are any material developments regarding the Proposed Acquisition.

## **11 Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

### **(c) Date payable**

Not applicable.



**(d) Books closure date**

Not applicable.

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

The board of directors (the “**Directors**”) of the Company does not propose to declare any dividend in respect of 1H2017.

**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 Catalist Rules.

**14 Negative confirmation pursuant to Rule 705(5)**

We, Teo Soo Kiat and Teo Soo Chew, the Directors of SHC Capital Asia Limited, hereby confirm that to the best of our knowledge, nothing has come to the attention of the board of Directors of the Company which may render the interim financial statements of the Company for the half year ended 30 June 2017 to be false or misleading in any material aspect.

**15 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  
14 August 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the 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 Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*