HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016 ("2016 Q3")

This announcement has been prepared by Healthway Medical Corporation Limited (the "**Company**") and its contents have been reviewed by 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 QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) 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.

	3 months ended			9 months ended		
	30.09.16 S$'000	30.09.15 S$'000	Change %	30.09.16 S$'000	30.09.15 S$'000	Change %
Revenue	25,486	23,207	9.8	73,374	70,945	3.4
Other operating income	564	2,570	(78.1)	806	7,928	(89.8)
Medical supplies, consumables and laboratory expenses	(5,081)	(4,934)	3.0	(14,705)	(14,166)	3.8
Staff costs	(16,822)	(14,834)	13.4	(46,297)	(44,179)	4.8
Depreciation of property, plant and equipment	(329)	(328)	0.3	(1,015)	(995)	2.0
Amortisation of intangible assets	(17)	(73)	(76.7)	(53)	(221)	(76.0)
Other operating expenses	(3,378)	(8,051)	(58.0)	(10,500)	(14,630)	(28.2)
Finance costs	(335)	(252)	32.9	(896)	(757)	18.4
Profit / (Loss) before income tax	88	(2,695)	n.m.	714	3,925	(81.8)
Income tax expense	(19)	(284)	(93.3)	(10)	(1,338)	(99.3)
Profit / (Loss) for the period attributable to shareholders	69	(2,979)	n.m.	704	2,587	(72.8)
Other comprehensive income / (loss), net of tax	12	139	(91.4)	(142)	(475)	(70.1)
Total comprehensive income / (loss) for the period	81	(2,840)	n.m.	562	2,112	(73.4)

n.m. denotes not meaningful.

Explanatory notes to the income statement

Profit / (Loss) before income tax of the Group is arrived at after charging / (crediting):

	3 months ended			9 months ended		
	30.09.16 S$'000	30.09.15 S$'000	Change %	30.09.16 S$'000	30.09.15 S$'000	Change %
Interest income	(3)	(609)	(99.5)	(11)	(1,805)	(99.4)
Rental income	(81)	(81)	-	(243)	(233)	4.3
Gain on disposal of available-for-sale financial assets reclassified from equity	-	-	n.m.	-	(727)	n.m.
Interest expense	335	252	32.9	896	757	18.4
Allowance for doubtful loan and other receivables	-	4,500	n.m.	-	4,500	n.m.
Property, plant & equipment written off	23	39	(41.0)	23	80	(71.3)
Foreign exchange (gain) / loss	(148)	(492)	(69.9)	1,035	(739)	n.m.
Operating lease expenses	2,032	2,061	(1.4)	6,245	6,145	1.6

Statement of comprehensive income

	3 months ended			9 months ended		
	30.09.16 S$'000	30.09.15 S$'000	Change %	30.09.16 S$'000	30.09.15 S$'000	Change %
Profit / (Loss) for the period	69	(2,979)	n.m.	704	2,587	(72.8)
Foreign exchange differences	12	158	(92.4)	(142)	243	n.m.
Change in fair value of available-for-sale financial assets	-	(19)	n.m.	-	9	n.m.
Change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	n.m.	-	(727)	n.m.
Other comprehensive income / (loss) for the period, net of tax	12	139	(91.4)	(142)	(475)	(70.1)
Total comprehensive income / (loss) for the period	81	(2,840)	n.m.	562	2,112	(73.4)

n.m. 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.

	Group		Company	
	30.09.16 S$'000	31.12.15 S$'000	30.09.16 S$'000	31.12.15 S$'000
Current assets				
Cash and cash equivalents	3,894	2,884	2,014	1,947
Trade and other receivables	85,260	81,341	7,725	10,927
Inventories	2,832	2,290	-	-
	91,986	86,515	9,739	12,874
Non-current assets				
Other receivables	22,230	22,010	-	-
Investments in subsidiaries	-	-	199,868	197,113
Property, plant and equipment	5,482	5,897	-	-
Intangible assets	121,850	121,902	17	66
Deferred tax assets	18	18	43	43
	149,580	149,827	199,928	197,222
Total assets	241,566	236,342	209,667	210,096
Equity				
Share capital	208,214	204,430	208,214	204,430
Treasury shares	-	(3,049)	-	(3,049)
Currency translation reserve	693	835	-	-
Accumulated losses	(12,209)	(10,490)	(8,557)	(6,375)
Total equity	196,698	191,726	199,657	195,006
Current liabilities				
Trade and other payables	28,683	24,326	2,988	2,184
Current income tax liabilities	63	1,296	-	328
Borrowings	12,067	12,653	5,334	8,293
	40,813	38,275	8,322	10,805
Non-current liabilities				
Borrowings	3,698	5,984	1,688	4,285
Provisions	357	357	-	-
	4,055	6,341	1,688	4,285
Total liabilities	44,868	44,616	10,010	15,090
Total equity and liabilities	241,566	236,342	209,667	210,096

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

	As at 30.09.16		As at 31.12.15	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable within one year	9,898	802	9,510	1,855
Amount repayable after one year	1,740	883	3,335	1,378

The secured borrowings of the Group relate to bank loans and bank overdrafts which are secured by the following:

(i) joint and several guarantees from former directors of the Company and subsidiaries; and

(ii) time deposits of the Company and a subsidiary.

The Group's borrowings presented above do not include finance lease liabilities. Finance lease liabilities of the Group are repayable as follows:

	As at 30.09.16	As at 31.12.15
	S$'000	S$'000
Amount repayable within one year	1,367	1,288
Amount repayable after one year	1,075	1,271

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		9 months ended	
	30.09.16 S$'000	30.09.15 S$'000	30.09.16 S$'000	30.09.15 S$'000
Cash flows from operating activities				
Profit / (Loss) before income tax	88	(2,695)	714	3,925
Adjustments for:				
Amortisation of intangible assets	17	73	53	221
Gain on disposal of available-for-sale financial assets	-	-	-	(727)
Depreciation of property, plant and equipment	329	328	1,015	995
Allowance for doubtful loan and other receivables	-	4,500	-	4,500
Property plant and equipment written off	23	39	23	80
Unrealised currency translation (gain) / loss	(148)	(824)	1,035	(739)
Interest expense	335	252	896	757
Interest income	(3)	(609)	(11)	(1,805)
	641	1,064	3,725	7,207
Changes in working capital:				
Inventories	(399)	(112)	(542)	115
Trade and other receivables	(1,963)	1,076	(4,120)	1,025
Trade and other payables	274	1,135	5,435	2,680
Provison	-	-	-	9
Cash (used in) / generated from operations	(1,447)	3,163	4,498	11,036
Income tax paid	(624)	(204)	(1,243)	(300)
Net cash (used in) / generated from operating activities	**(2,071)**	**2,959**	**3,255**	**10,736**
Cash flows from investing activities				
Addition to property, plant and equipment	(27)	(377)	(272)	(957)
Addition to intangible assets	2	-	(1)	-
Proceeds from disposal of property, plant and equipment	-	44	-	44
Loan receivables	(364)	(485)	(1,000)	(3,924)
Advances to third party - net	(629)	(2,020)	(1,225)	(6,205)
Proceeds from sale of available-for-sale financial assets	-	-	-	765
Interest received	3	4	11	10
Net cash used in investing activities	**(1,015)**	**(2,834)**	**(2,487)**	**(10,267)**
Cash flows from financing activities				
Proceeds from issuance of shares	3,999	-	3,999	-
Share issue expenses	(215)	-	(215)	-
Proceeds from re-issuance of treasury shares	-	-	626	-
Proceeds from borrowings	5,303	5,158	9,923	21,124
Repayment of borrowings	(4,876)	(4,575)	(12,678)	(19,540)
Fixed deposits pledged	(1)	135	(39)	282
Repayment of finance lease liabilities	(404)	(257)	(516)	(647)
Interest paid	(335)	(252)	(896)	(757)
Net cash provided by financing activities	**3,471**	**209**	**204**	**462**
Net increase in cash and cash equivalents	**385**	**334**	**972**	**931**
Cash and cash equivalents				
Beginning of financial period	1,633	1,634	1,046	1,037
Effect of exchange rate fluctuations on cash held	(1)	1	(1)	1
End of financial period	**2,017**	**1,969**	**2,017**	**1,969**

Cash and cash equivalents comprised:	As at 30.09.16 S$'000	As at 30.09.15 S$'000
Deposits with banks	3,894	3,807
Fixed deposits pledged as collaterals	(1,877)	(1,838)
	2,017	1,969

As at 30 September 2016, the Group acquired property, plant and equipment with an aggregate cost of S$623,000 (2015 Q3: S$987,000), of which S$351,000 (2015 Q3: S$30,000) was acquired under finance lease.

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 ——→						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group - Current period							
At 30 June 2016	204,430	-	204,430	-	681	(12,278)	192,833
Profit for the period	-	-	-	-	-	69	69
Foreign exchange differences	-	-	-	-	12	-	12
Total comprehensive income for the period	-	-	-	-	12	69	81
Issue of new shares pursuant to placement	3,999	-	3,999	-	-	-	3,999
Share issue expenses	(215)	-	(215)	-	-	-	(215)
Total contributions by and distributions to owners	3,784	-	3,784	-	-	-	3,784
At 30 September 2016	208,214	-	208,214	-	693	(12,209)	196,698
Group - Previous period							
At 30 June 2015	204,430	(3,049)	201,381	19	784	(6,607)	195,577
Loss for the period	-	-	-	-	-	(2,979)	(2,979)
Net change in fair value of available-for-sale financial assets	-	-	-	(19)	-	-	(19)
Foreign exchange differences	-	-	-	-	158	-	158
Total comprehensive (loss) / income for the period	-	-	-	(19)	158	(2,979)	(2,840)
At 30 September 2015	204,430	(3,049)	201,381	-	942	(9,586)	192,737

	<--------- Share capital ---------->						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company - Current period							
At 30 June 2016	204,430	-	204,430	-	-	(8,991)	195,439
Profit for the period	-	-	-	-	-	434	434
Total comprehensive income for the period	-	-	-	-	-	434	434
Issue of new shares pursuant to placement	3,999	-	3,999	-	-	-	3,999
Share issue expenses	(215)	-	(215)	-	-	-	(215)
Total contributions by and distributions to owners	3,784	-	3,784	-	-	-	3,784
At 30 September 2016	208,214	-	208,214	-	-	(8,557)	199,657
Company - Previous period							
At 30 June 2015	204,430	(3,049)	201,381	19	-	(6,083)	195,317
Profit for the period	-	-	-	-	-	640	640
Net change in fair value of available-for-sale financial assets	-	-	-	(19)	-	-	(19)
Total comprehensive (loss) / income for the period	-	-	-	(19)	-	640	621
At 30 September 2015	204,430	(3,049)	201,381	-	-	(5,443)	195,938

(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 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 period of the immediately preceding financial year.

Ordinary shares

	Number of shares	Amount S$'000
Ordinary shares excluding treasury shares as at 30 June 2016	2,326,934,183	204,430
Issue of new shares	133,300,000	3,999
Share issue expenses	-	(207)
Ordinary shares excluding treasury shares as at 30 September 2016	2,460,234,183	208,222

Convertibles

The Company did not have any outstanding convertibles as at 30 September 2016 and 30 September 2015.

Treasury shares

The Company did not have any treasury shares as at 30 September 2016. (30 September 2015: 18,698,000)

1(d)(iii) 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.

	As at 30.09.16	As at 31.12.15
Total number of issued shares excluding treasury shares	2,460,234,183	2,308,236,183

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury share 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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements.

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.

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial year compared with the audited financial statements as at 31 December 2015, except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2016. The adoption of these new FRS and INT FRS has no significant impact on the financial statements for the current and prior reporting periods.

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

	3 months ended		9 months ended	
	30.09.16	**30.09.15**	**30.09.16**	**30.09.15**
Basic and diluted (loss) / earnings per ordinary share (Singapore cents)[1]	- [2]	(0.13)	0.03	0.11

[1] Basic and diluted (loss) / earnings per share of the Group for the 3 months and 9 months ended 30 September 2016 are calculated based on the weighted average number of ordinary shares in issue of 2,332,729,835 and 2,317,103,694 respectively. (3 months and 9 months ended 30 September 2015: 2,308,236,183)

There were no potentially dilutive ordinary shares in existence as at 30 September 2016 and 30 September 2015, and accordingly, basic (loss) / earnings per ordinary share and diluted (loss) / earnings per ordinary share were the same for the respective periods.

[2] Not meaningful.

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	
	As at 30.09.16	As at 31.12.15	As at 30.09.16	As at 31.12.15
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	8.00	8.31	8.12	8.45

The net asset value per ordinary share of the Group and the Company as at 30 September 2016 were calculated based on the total number of issued shares, excluding treasury shares, of 2,460,234,183 (31 December 2015: 2,308,236,183).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of performance

The Group's turnover for the quarter ended 30 September 2016 ("FY2016 Q3") was S$25.5 million, an increase of S$2.3 million or 9.8% from S$23.2 million for the quarter ended 30 September 2015 ("FY2015 Q3"). This is mainly due to an increase in revenue from the Specialist and wellness healthcare segment by S$1.7 million, from S$11.1 million in FY2015 Q3 to S$12.8 million in FY2016 Q3, as well as Primary Healthcare segment by S$0.6 million, from S$12.1 million in FY2015 Q3 to S$12.7 million in FY2016 Q3.

The Group's other operating income decreased by S$2.0 million from S$2.6 million in FY2015 Q3 to S$0.6 million for FY2016 Q3. This was mainly due to absence in FY2016 Q3 of S$1.1 million for the recovery of staff costs for secondment fees from third party clinics managed by the Group, a decrease in FY2016 Q3 of S$0.6 million interest income due to discontinuance of charging of interest to a third party entity that is managed by the Company, as well as a decrease in foreign exchange gain in FY2016 Q3 of S$0.3 million.

Total operating costs for the Group, which included medical supplies, consumables and laboratory expenses, staff costs, depreciation of property, plant and equipment, amortisation of intangible assets and other operating expenses, decreased by S$2.6 million or 9.2% from S$28.2 million for FY2015 Q3 to S$25.6 million for FY2016 Q3. The decrease was mainly due to absence in FY2016 Q3 of S$4.5 million for impairment loss on receivables, lower amortisation of intangible assets by S$0.1million, offset by an increase in staff cost of S$1.9 million mainly due to under provision in the first half of FY2016, as well as higher medical supplies, consumables and laboratory expenses of S$0.1million which was in line with the increase in revenue.

The finance costs for the Group increased by S$0.09 million or 32.9% from S$0.25 million for FY2015 Q3 to S$0.34 million for FY2016 Q3 as a result of higher cost of debt on loans undertaken for working capital purposes.

The Group's net profit before income tax for FY2016 Q3 was S$0.1 million as compared to net loss before income tax of S$2.7 million for FY2015 Q3 and the net profit attributable to shareholders for FY2016 Q3 was S$0.1 million as compared to a net loss attributable to shareholders of S$3.0 million for FY2015 Q3.

Financial position

Non-current assets (comprising other receivables, property, plant and equipment, intangible assets and deferred tax assets) were S$149.6 million as at 30 September 2016, representing a decrease of S$0.2 million from S$149.8 million as at 31 December 2015. This was mainly due to a decrease in property, plant and equipment of S$0.4 million, offset by an increase in other receivables of S$0.2 million.

Current assets (comprising inventories, trade and other receivables and cash and cash equivalents) were S$92.0 million as at 30 September 2016. This was S$5.5 million higher than S$86.5 million as at 31 December 2015. The increase was mainly due to increase of inventories of S$0.6 million due mainly to higher revenues, increase in trade and other receivables of S$3.9 million mainly attributable to longer repayment periods of corporate clients as well as higher revenue, and increase in cash and bank balances of S$1.0 million.

Non-current liabilities (comprising provisions and borrowings) were S$4.1 million as at 30 September 2016, a decrease of S$2.2 million from S$6.3 million as at 31 December 2015, mainly due to repayment of bank loans during the year.

Current liabilities (comprising borrowings, trade and other payables and current income tax liabilities) were S$40.8 million as at 30 September 2016, an increase of S$2.5 million from S$38.3 million as at 31 December 2015, mainly due to increase in trade and other payables of S$4.3 million largely attributable to the timing difference in payment of trade payables, offset by a decrease in current income tax liabilities of S$1.2 million, and a decrease in borrowings of S$0.6 million as a result of repayment of bank loans during the year.

The Group had a positive working capital of S$51.2 million as at 30 September 2016, as compared to S$48.2 million as at 31 December 2015.

Cash flow statement

As at 30 September 2016 and 30 September 2015, the Group had cash and cash equivalents amounting to S$2.0 million, net of fixed deposits pledged of S$1.9 million.

The significant cash movements during FY2016 Q3 as compared to FY2015 Q3 can be summarised as follows: -

Cash flow used in operating activities for FY2016 Q3 amounted to S$2.1 million as compared to a cash flow generated from operating activities of S$3.0 million for FY2015 Q3. The cash flow used in operating activities for FY2016 Q3 was a result of net working capital outflow of S$2.1 million. The net working capital outflow was mainly due to increase in trade and other receivables of S$2.0 million, as well as S$0.4 million in inventories, offset by an increase in trade and other payables of S$0.3 million.

Cash flow used in investing activities for FY2016 Q3 was S$1.0 million as compared to cash flow used in investing activities of S$2.8 million for FY2015 Q3. Cash used in investing activities were mainly attributable to net loan advances to third party of S$1.0 million.

Cash flow provided by financing activities was S$3.5 million for FY2016 Q3 as compared to S$0.2 million for FY2015 Q3. The cash flow provided by financing activities in FY2016 Q3 was mainly due to S$3.8 million net proceeds from issuance of shares pursuant to a placement

exercise and S$5.3 million of loans undertaken for working capital purposes, offset by interest paid of S$0.3 million, as well as repayment of borrowings of S$5.3 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 had been previously disclosed to shareholders for the current reporting period.

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.

Healthway Medical Hub @ Centrepoint has shown stable patient growth as more anchor tenants opened for business such as Metro and Crystal Jade. The performance reflects that the clustering of clinics and services improves efficiency and maximizes space usage. This centrally located integrated medical hub will strengthen the Group's network of specialists and allied healthcare services in Singapore.

Through continuous corporate client acquisitions, patient numbers for the whole group is growing steadily. It's further supported by the award of a 3-year tender for the provision of medical and counselling services by Ministry of Social and Family Development. The Group will focus on growing the number of clinics and hubs in Singapore and the region to remain attractive to the corporates and cater to demand for quality healthcare services.

The Group is still assessing the exercise of a pre-existing option to acquire a non-related company which owns medical clinics in Singapore through the conversion of the loan receivables due from the non-related company of approximately S$64 million, to form part of the purchase consideration, at a price to be agreed. The Company will provide updates as and when there are any material developments.

The Group will continue to explore various fund raising options to finance various strategic programs.

Barring unforeseen circumstances, the Directors expect the Group to continue operational growth for the rest of the year.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

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

No dividends have been declared or recommended for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (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 its shareholders for Interested Person Transactions.

There were no IPTs of S$100,000 or more entered into by the Group during FY2016 Q3.

14. Use of Proceeds

The net proceeds from the placement, which was completed on 27 September 2016, was approximately S$3,750,000 (after deducting expenses pertaining to the Placement of approximately S$249,000) ("**Net Proceeds**"). The Net Proceeds have been fully utilised on 25 October 2016 as follows:

Intended Purposes	Amount utilised (S$)	Amount unutilised (S$)
Working Capital (1)	1,687,500	-
Expansionary Plan in Singapore	2,062,500	-
Total	3,750,000	-

Notes:
(1) Utilised mainly for payment of salaries and loans repayments.

The above utilisations are in accordance with the intended purposes as stated in the Company's announcement dated 29 August 2016.

15. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual.

The Board of Directors (the "**Board**") has confirmed that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the quarter ended 30 September 2016 to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Veronica Chan Wee Ping
President
14 November 2016