



SHC CAPITAL ASIA LIMITED

(Co Registration No: 201201631D)

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## FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2014

### Background

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

Following the completion of the Disposal, the Company ceased to have any operating business and has 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**”). Upon the completion of the Disposal, SHCI ceased to be a subsidiary of the Company and the Company no longer has any subsidiary or associated company. Accordingly, only the Company’s financial statements for the financial year ended 31 December (“**FY**”) 2014 has been presented in this announcement (unless otherwise stated) and the comparative financial statements for FY2013 have been presented as re-stated basis where they were not previously presented in the prior year’s announcement.

### 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	FY2014	FY2013	% Change
		S\$’000	(Restated)	+ / (-)
			S\$’000	
Gain on disposal of subsidiary (see note a below)		64,725	-	n.m.
Finance and other income	1	3,597	1,612	123%
<b>Total income</b>		68,322	1,612	n.m.
Staff costs	2	(140)	(153)	-8%
Depreciation of property, plant & equipment		(62)	-	n.m.
Other operating expenses	3	(1,559)	(1,020)	-52%
<b>Total expenses</b>		(1,761)	(1,173)	-50%
<b>Profit before income tax from continuing operations</b>		66,561	439	n.m.
Income tax expenses		-	-	n.a.
<b>Profit for the year</b>		66,561	439	n.m.
Other comprehensive Income		-	-	n.a.
<b>Other comprehensive income for the year, net of tax</b>		-	-	n.a.
<b>Total comprehensive income for the year</b>		66,561	439	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 for (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 profit for the year for the Company:

	Company	
	FY2014	FY2013 (Restated)
	S\$'000	S\$'000
<b>1. Finance and other income</b>		
Interest income		
- Fixed deposits with banks (security deposits)	31	1
- Cash and cash equivalents	31	-
Dividend income	3,526	1,611
Sundry income	9	-
	<u>3,597</u>	<u>1,612</u>
<b>2. Staff costs</b>		
Salaries, bonus and other benefits	139	151
Employer's Central Provident Fund contributions	1	2
	<u>140</u>	<u>153</u>
<b>3. Other operating expenses includes:-</b>		
Audit fees	12	17
Directors' fees	443	239
Loss on changes in valuation of call option (see note a below)	400	325
	<u>400</u>	<u>325</u>

(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 31/12/2014 S\$'000	As at 31/12/2013 S\$'000
<b>Assets</b>		
Property, plant and equipment	564	-
Investment in subsidiary	-	39,955
Financial assets		
- Option, derivative	-	300
Deposits, prepayments and other assets	26	409
Cash and cash equivalents	68,901	664
<b>Total assets</b>	<u>69,491</u>	<u>41,328</u>
<b>Liabilities</b>		
Other payables	<u>412</u>	<u>1,481</u>
<b>Total liabilities</b>	<u>412</u>	<u>1,481</u>
<b>Net assets</b>	<u>69,079</u>	<u>39,847</u>
<b>Shareholders' equity</b>		
Share capital	40,144	39,955
Employee Share Options Scheme Reserves	-	32
Accumulated profits/(losses)	<u>28,935</u>	<u>(140)</u>
<b>Total shareholders' equity</b>	<u>69,079</u>	<u>39,847</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:**

	Company			
	As at 31/12/2014	As at 31/12/2014	As at 31/12/2013 (Restated)	As at 31/12/2013 (Restated)
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	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**

	<b>Company</b>	
	<b>FY2014</b>	<b>FY2013</b>
	<b>S\$'000</b>	<b>(Restated) S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	66,561	439
Adjustments for:		
Depreciation of property, plant and equipment	62	-
Gain on disposal of investment in subsidiary	(64,725)	-
Changes in valuation of option, derivative	400	(400)
Transfer of share option reserve to accumulated profits (Termination)/Issue of Employee Share Options Scheme	89	-
Interest income	(32)	23
Dividend income	(61)	(1)
	<u>(3,526)</u>	<u>(1,611)</u>
Operating cash flows before changes in working capital	(1,232)	(1,550)
<b>Changes in working capital:</b>		
Other receivables	(9)	-
Deposits, prepayments and other assets	(8)	5
Amounts due from related companies	(1,025)	1,025
Other payables	(44)	97
	<u>(2,318)</u>	<u>(423)</u>
<b>Cash used in operations</b>	(2,318)	(423)
Interest received	61	1
Dividend received	3,526	1,611
<b>Cash flows from operating activities</b>	<u>1,269</u>	<u>1,189</u>
<b>Investing activities</b>		
Acquisitions of property, plant and equipment	(626)	-
Receipt from termination/(acquisition) of option, derivative	300	(300)
Net proceeds from disposal of investment in subsidiary	104,680	-
Deposit withheld as collateral for standby letter of credit	(12,500)	-
<b>Cash flows from/(used in) investing activities</b>	<u>91,854</u>	<u>(300)</u>
<b>Financing activities</b>		
Dividend paid	(37,575)	(669)
Issue of ordinary shares	189	-
<b>Cash flows used in financing activities</b>	<u>(37,386)</u>	<u>(669)</u>
<b>Net increase in cash and cash equivalents</b>	55,737	220
Cash and cash equivalents at beginning of the year	664	444
Cash and cash equivalents at the end of the year	<u>56,401</u>	<u>664</u>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	59,734	164
Fixed deposits	9,167	500
	<u>68,901</u>	<u>664</u>
Less: Deposit withheld as collateral for standby letter of credit	(12,500)	-
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<u>56,401</u>	<u>664</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	Employee share options scheme reserves	Accumulated profits/(losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>				
<b>As at 1 January 2013</b>	39,955	10	90	40,055
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	439	439
<b>Total comprehensive income for the year</b>	-	-	439	439
Issue of employee share options	-	22	-	22
Dividend for FY2012	-	-	(669)	(669)
<b>Total transactions with owners</b>	-	22	(669)	(647)
<b>As at 31 December 2013</b>	<b>39,955</b>	<b>32</b>	<b>(140)</b>	<b>39,847</b>
<b>As at 1 January 2014</b>	39,955	32	(140)	39,847
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	66,561	66,561
<b>Total comprehensive income for the year</b>	-	-	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	-	(89)	89	-
Dividend for FY2013 and interim special dividend for FY2014	-	-	(37,575)	(37,575)
<b>Total transactions with owners</b>	189	(32)	(37,486)	(37,329)
<b>As at 31 December 2014</b>	<b>40,144</b>	<b>-</b>	<b>28,935</b>	<b>69,079</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 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

On 1 March 2014, the Company issued 2,000,000 new ordinary shares in the capital of the Company ("Shares") pursuant to the exercise of 2,000,000 Options at an exercise price of S\$0.0944 per Share for an aggregate consideration of S\$188,800 following which the number of Shares increased from 303,982,583 Shares as at 31 December 2013 to 305,982,583 Shares as at 31 December 2014 and the share capital of the Company increased from S\$39.955 million as at 31 December 2013 to S\$40.144 million as at 31 December 2014.

### Convertible Securities

As at 30 June 2014, the Company had 29,972,000 Options which entitled holders to subscribe for 29,972,000 Shares. In connection with the Disposal, the Company had paid the Options Redemption Consideration amounting to approximately S\$7.816 million 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 30 June 2014 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	
	31/12/2014	31/12/2013
Total number of issued Shares	305,982,583	303,982,583

### **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 financial statements for FY2014 as those in its audited financial statements for FY2013.

### **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	
	FY2014 (Cents)	FY2013 (Restated) (Cents)
Earnings per Share for the year based on net profit attributable to shareholders:-		
(a) Based on weighted average number of Shares	21.78	0.14
(b) On a fully diluted basis	21.59	0.14

**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 31/12/2014 (Cents)	As at 31/12/2013 (Restated) (Cents)
Net asset value per Share based on the issued share capital (excluding treasury shares) as at the end of the year	22.58	13.11

The above net asset value per Share has been computed based on the total issued share capital as at 31 December 2014 of 305,982,583 Shares (31 December 2013: 303,982,583 Shares)

**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 FY2014, the Company recorded a net gain from the Disposal of S\$64.725 million.

The Company recorded finance and other income of S\$3.597 million in FY2014, compared to S\$1.612 million in FY2013. This was due mainly to higher dividend income received in FY2014.

The Company incurred other operating expenses of S\$1.559 million in FY2014, compared to S\$1.020 million in FY2013, due mainly to the increase in Directors' fees and loss on changes in valuation of the Call Option.

**Statement of Financial Position**

Following completion of the Disposal, the assets of the Company as at 31 December 2014 comprise mainly cash of S\$68.901 million of which \$46.894 million is placed in an escrow account and S\$12.500 million is held under collateral for a standby letter of credit. Other payables as at 31 December 2014 comprise mainly accruals of statutory costs and Directors' fees.

## **Statement of Cash Flows**

Net cash from operating activities in FY2014 amounted to S\$1.269 million due mainly to dividend income received.

Net cash from investing activities in FY2014 amounted to S\$91.854 million due mainly to the net proceeds from the Disposal partially offset by deposit withheld as collateral for a standby letter of credit.

Net cash used in financing activities in FY2014 amounted to S\$37.386 million due mainly to special interim dividend paid to shareholders following completion of the Disposal.

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.**

Following completion of the Disposal of SHCI, the Company is actively seeking new businesses to acquire. There is no absolute assurance that the Company will be successful in seeking out new businesses which will meet the listing criteria of SGX-ST. Whilst keeping all options open, the Board's consideration will include businesses which demonstrate growth potential and profitable track record, and have prospects of generating future income or dividend yields for Shareholders.

In accordance with Rule 1017(1)(b) of the Catalist Rules, the Company announces monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market *via* SGXNET.

## **11 Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Following the completion of the Disposal of SHCI on 1 August 2014, the Board of Directors declared an interim special dividend of \$0.12 per Share (tax-exempt one-tier) ("**Interim Special Dividend**") in respect of FY2014. The Interim Special Dividend was paid out on 22 August 2014.

In addition to the Interim Special Dividend, the Board of Directors is proposing a final dividend of S\$0.09 per Share (tax-exempt one-tier) ("**Final Dividend**") in respect of FY2014. The Final Dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting in April 2015.

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

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

The Company declared a final dividend of 0.28 cents per Share (tax exempt one-tier) in respect of FY2013 which was paid in May 2014.

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

The Final Dividend is subject to shareholders' approval and accordingly, the payment date and the books closure date will be announced in due course.



**(d) Books closure date**

The Final Dividend is subject to shareholders' approval and accordingly, the payment date and the books closure date will be announced in due course.

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

Not applicable.

**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.**

At the last annual general meeting on 30 April 2014, the Company sought shareholders' approval for the renewal of a general mandate for interested person transactions ("IPTs") comprising *inter alia* rental of office premises by SHCI from the related corporations of SHC Capital Holdings Pte Ltd which is a controlling shareholder of the Company. The aggregate values of IPTs for FY2014 as required to be disclosed under Rule 907 of the Catalist Rules are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	FY2014 S\$'000	FY2013 (Restated) S\$'000	FY2014 S\$'000	FY2013 (Restated) S\$'000
<u>IPTs entered into by SHCI (which has since been disposed by the Company)</u> <sup>(1)</sup>				
Payment of office rental to: <sup>(2)</sup>				
- See Hoy Chan Realty Pte Ltd	-	-	376	592
- See Hoy Chan Land Pte Ltd	-	-	-	112
<u>Other IPTs</u>				
Payment of Project Directors' Fees <sup>(3)</sup>	600	-	-	-
Payment of advisory fee to Mr Low Seow Juan <sup>(4)</sup>	120	220	-	-

**Notes:**

<sup>(1)</sup> Save for disclosure of the IPTs in the table above, the financial information presented in this announcement has not included the financial statements of SHCI pursuant to the Disposal.

<sup>(2)</sup> This relates to the rental of the office at 302 Orchard Road #09-01/02/03/04 and #10-03 Singapore 238862 by SHCI from See Hoy Chan Realty Pte Ltd and See Hoy Chan Land Pte Ltd. In respect of FY2014, the amount of rental paid was for the period from 1 January 2014 to 31 July 2014. Upon completion of the Disposal of SHCI in August 2014, such transaction has ceased.

<sup>(3)</sup> This relates to the aggregate fees paid to Mr Teo Soo Kiat (a director and a controlling shareholder of the Company) and Messrs Tan Hup Foj, Chua Kee Lock and Low Seow Juan (who were directors of the Company at the relevant time and who have resigned as directors of the Company upon completion of the Disposal) (“**Project Directors’ Fees**”). The Company had at its extraordinary general meeting held on 25 July 2014, obtained the approval of its shareholders for the payment of the Project Directors’ Fees.

<sup>(4)</sup> This refers to the fee paid to Mr Low Seow Juan for advisory fees rendered for the period from 1 January 2014 to 31 July 2014 pursuant to a service agreement entered into between the Company and Mr Low dated 21 January 2009. Mr Low has resigned as a director of the Company on 1 August 2014 following completion of the Disposal. Accordingly, the service agreement has been terminated.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

### 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 is based in Singapore and 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.

Please refer to paragraph 8 of this announcement.

### 16 A breakdown of sales

Description	Company		
	FY2014 S\$'000	FY2013 (Restated) S\$'000	Change %
Revenue reported for the first half year	-	-	n.a.
Profit after tax before minority interests reported for the 1st half year	3,061	663	n.m.
Revenue reported for the second half year	-	-	n.a.
Profit after tax before minority interests reported for the 2nd half year	63,500	(224)	n.m.

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

Description	FY2014 S\$'000	FY2013 (Restated) S\$'000
Ordinary	27,538	857
Special	36,718	n.a.
Preference	n.a.	n.a.
Total	64,256	857

**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 Board of Directors wishes to 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.

**BY ORDER OF THE BOARD**

Teo Yiam Beng  
Interim Chief Financial Officer  
25 February 2015

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), for compliance with the Catalist Rules. The Sponsor has not independently 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 correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Corporate Finance, CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, Telephone +65 63375115.*