



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 2015

Background

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

Following the completion of the Disposal, SHCI ceased to be a subsidiary of the Company and the Company had since become a cash company under Rule 1017 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). Accordingly, only the Company's financial statements for the first half of 2015 ("**1H2015**") have been presented in this announcement (unless otherwise stated) and the comparative financial statements for the first half of 2014 ("**1H2014**") 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	1H2015 S\$'000	1H2014 (Restated) S\$'000	% Change + / (-)
Finance and other income	1	53	3,528	-98%
Total income		53	3,528	-98%
Staff costs	2	(5)	(119)	-96%
Depreciation of property, plant & equipment		(63)	-	n.a.
Other operating expenses	3	(1,300)	(348)	-274%
Total expenses		(1,368)	(467)	-193%
(Loss)/Profit before income tax from continuing operations		(1,315)	3,061	n.m.
Income tax expenses		(4)	-	n.a.
(Loss)/Profit for the period		(1,319)	3,061	n.m.
Other comprehensive Income		-	-	n.a.
Other comprehensive (loss)/ income for the period, net of tax		-	-	n.a.
Total comprehensive (loss)/income for the period		(1,319)	3,061	n.m.

n.m: not meaningful

n.a: not applicable

Notes to the Statement of Comprehensive Income

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

	Company	
	1H2015	1H2014
	S\$'000	(Restated) S\$'000
1. Finance and other income		
Interest income		
- Fixed deposits with banks (security deposits)	22	2
- Cash and cash equivalents	31	-
Dividend income	-	3,526
	<u>53</u>	<u>3,528</u>
2. Staff costs		
Salaries, bonus and other benefits	5	118
Employer's Central Provident Fund contributions	-	1
	<u>5</u>	<u>119</u>
3. Other operating expenses includes:-		
Audit fees	18	5
Interim management remuneration	300	-
Legal and professional fees related to Proposed Acquisition	556	-
Directors' fees	<u>229</u>	<u>119</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 30/06/2015 Unaudited S\$'000	As at 31/12/2014 Audited S\$'000
Assets		
Property, plant and equipment	501	564
Deposits, prepayments and other assets	31	26
Cash and cash equivalents	40,120	68,901
Total assets	40,652	69,491
Liabilities		
Other payables	430	412
Total liabilities	430	412
Net assets	40,222	69,079
Shareholders' equity		
Share capital	40,144	40,144
Accumulated profits	78	28,935
Total shareholders' equity	40,222	69,079

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

	Company			
	As at 30/06/2015 Secured S\$'000	As at 30/06/2015 Unsecured S\$'000	As at 31/12/2014 Secured S\$'000	As at 31/12/2014 Unsecured S\$'000
Amount repayable in one year or less or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

Details of any collateral

Not applicable.

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

Statement of Cash Flows

	Company	
	1H2015	1H2014
	S\$'000	(Restated)
		S\$'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(1,315)	3,061
Adjustments for:		
Depreciation of property, plant and equipment	63	-
Issue of Employee Share Options Scheme	-	57
Interest income	(53)	(1)
Dividend income	-	(3,526)
Operating cash flows before changes in working capital	(1,305)	(409)
Changes in working capital:		
Deposits, prepayments and other assets	(5)	(53)
Other payables	18	(281)
Cash used in operations	(1,292)	(743)
Interest received	53	1
Income tax paid	(4)	-
Dividend received	-	3,526
Cash flows (used in)/from operating activities	(1,243)	2,784
Investing activity		
Deposit withheld as collateral for standby letter of credit	(12,500)	-
Cash flows used in investing activity	(12,500)	-
Financing activities		
Dividend paid	(27,538)	(857)
Issue of ordinary shares	-	189
Cash flows used in financing activities	(27,538)	(668)
Net (decrease)/increase in cash and cash equivalents	(41,281)	2,116
Cash and cash equivalents at beginning of the year	68,901	664
Cash and cash equivalents at the end of the period	27,620	2,780
Analysis of cash and cash equivalents		
Cash and bank balances	32,387	616
Fixed deposits	7,733	2,164
	40,120	2,780
Less: Deposit withheld as collateral for standby letter of credit	(12,500)	-
Cash and cash equivalents in the Statement of Cash Flows	27,620	2,780

1(d)(i) A statement (for the Company) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

	Share capital	Employee share options scheme reserves	Accumulated (losses)/ profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
As at 1 January 2014	39,955	32	(140)	39,847
Total comprehensive income for the period				
Profit for the period	-	-	3,061	439
Total comprehensive income for the period	-	-	3,061	439
Issue of employee share options	189	57	-	246
Dividend for year 2013	-	-	(857)	(857)
Total transactions with owners	189	57	(857)	(611)
As at 30 June 2014	40,144	89	2,064	42,297
As at 1 January 2015	40,144	-	28,935	69,079
Total comprehensive loss for the period				
Loss for the period	-	-	(1,319)	(1,319)
Total comprehensive loss for the period	-	-	(1,319)	(1,319)
Dividend for year 2014	-	-	(27,538)	(27,538)
Total transactions with owners	-	-	(27,538)	(27,538)
As at 30 June 2015	40,144	-	78	40,222

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding year of the immediately preceding financial year.

Share Capital

There was no change in the issued and paid-up share capital of the Company from 1 January 2015 to 30 June 2015.

Convertible Securities

During 1H2014, the Company had 29,972,000 Varied Options/Options ("**Options**"), which entitled holders to subscribe for 29,972,000 Shares. In connection with the Disposal, the Company had obtained the approval of the Shareholders at the extraordinary general meeting of the Company held on 25 July 2014, for the redemption and cancellation of all the outstanding Options by the Company following the completion of the Disposal. The Company had subsequently paid the Options Redemption Consideration amounting to approximately S\$7.816 million in November 2014 and fully redeemed all the 29,972,000 Options.

Save as disclosed above, the Company did not have any outstanding Options, convertibles or any treasury shares as at 30 June 2014 and 30 June 2015.

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	
	30/06/2015	31/12/2014
Total number of issued Shares	305,982,583	305,982,583

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

Not applicable as the Company does not have any treasury shares.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Yes, the Company has applied the same accounting policies and methods of computation in the financial statements for 1H2015 as those in its audited financial statements for financial year ended 31 December 2014.

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	
	1H2015 (Cents)	1H2014 (Restated) (Cents)
Earnings per Share for the period based on net profit attributable to shareholders:-		
(a) Based on weighted average number of Shares	(0.43)	1.00
(b) On a fully diluted basis	(0.43)	0.95

In 1H2015, the basic earnings per Share and the diluted earnings per Share are the same as the Options have been fully redeemed and cancelled prior to 1H2015 (paid in November 2014). In 1H2014, the Company has one category of potential dilutive ordinary shares, which are the Options as at 30 June 2014.

7 Net asset value (for the Company) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial year reported on; and**
(b) immediately preceding financial year.

	Company	
	As at 30/06/2015 (Cents)	As at 31/12/2014 (Cents)
Net asset value per Share based on the issued share capital (excluding treasury shares) as at the end of the respective dates	13.15	22.58

The net asset value per Share has been computed based on the total issued share capital of 305,982,583 shares as at 30 June 2015 and 31 December 2014.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the Company for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Company during the current financial year reported on.

Statement of Comprehensive Income

In 1H2015, the Company recorded finance and other income of S\$0.053 million which included interest income from bank deposits. This is compared to S\$3.528 million recorded in 1H2014 which largely relates to dividend income received from SHCI before the Disposal.

The Company incurred other operating expenses of S\$1.3 million in 1H2015, compared to S\$0.348 million in 1H2014, due mainly to an increase in director's fees, payment of interim CEO fees and interim CFO fees and an increase in professional fees related to the Proposed Acquisition.

As a result of the above, the Company reported a net loss of S\$1.3 million for 1H2015 compared to a net profit of S\$3.1 million for 1H2014.

Statement of Financial Position

Following the completion of the Disposal, the assets of the Company as at 30 June 2015 comprised mainly cash of S\$40.120 million of which \$19.386 million is placed in an escrow account and S\$12.500 million is held under collateral for standby letter of credit. Other payables as at 30 June 2015 comprised mainly accruals for statutory costs and Directors' fees.

Statement of Cash Flows

Net cash used in operating activities in 1H2015 of S\$1.243 million was due mainly to payment for interim CEO and interim CFO fees as well as professional fees related to the Proposed Acquisition.

Net cash used in investing activity in 1H2015 of S\$12.500 million was due to a standby letter of credit held under collateral.

Net cash used in financing activities in 1H2015 of S\$27.538 million was due mainly to dividend paid to shareholders for the financial year ended 31 December 2014.

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

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

Not applicable, there has not been any forecast previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.

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

The Company had also announced in a separate announcement released on the SGXNET on 21 July 2015 that the Company and the Existing Vendors had entered into a supplemental agreement to the SPA (“Supplemental SPA”) to vary certain terms of the SPA.

On 27 July 2015, the Company had announced that its sponsor and financial adviser in relation to the Proposed Acquisition, Canaccord Genuity Singapore Pte. Ltd., has, on behalf of the Company, submitted an application to the SGX-ST for an extension to the Rule 1017 Long Stop Date.

In the event that the application for an extension to the Rule 1017 Long Stop Date is not successful, the SGX-ST will proceed to remove the Company from the Official List of the Catalist pursuant to Rule 1017(2) of the Catalist Rules.

The Company will make the necessary announcement as and when there are further updates on the above.

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 dividend was declared in respect of the financial period ended 30 June 2014.

(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 Directors do not propose to declare any dividend in respect of the financial period ended 30 June 2015.

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 2015, the Company did not seek shareholders' approval for the renewal of a general mandate for interested person transactions ("IPTs") as the Company ceased to have an operating business since 1 August 2014.

The aggregate values of IPTs for 1H2014 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 period 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 period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	1H2015 S\$'000	1H2014 (Restated) S\$'000	1H2015 S\$'000	1H2014 (Restated) S\$'000
<u>IPTs entered into by SHCI (which has since been disposed by the Company)</u> ⁽¹⁾ Payment of office rental to: ⁽²⁾ - See Hoy Chan Realty Pte Ltd - See Hoy Chan Land Pte Ltd	- -	- -	- -	321 61

Notes:

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ The table above excludes fees of S\$220,000 paid to Mr Low Seow Juan in January 2014 for advisory services rendered in the financial year ended 31 December 2013 pursuant to a service agreement between the Company and Mr Low. Mr Low has resigned as a director of the Company on 1 August 2014 following completion of the Disposal. Accordingly, the advisory service agreement has been terminated.

14 Negative confirmations 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 Group for the half year ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Teo Yiam Beng
Interim Chief Financial Officer
12 August 2015

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

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

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