



**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)**

THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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		Increase/ (Decrease) %		9 months ended		Increase/ (Decrease) %
	30.09.16 (Unaudited) S\$'000	30.09.15 (Unaudited) S\$'000			30.09.16 (Unaudited) S\$'000	30.09.15 (Unaudited) S\$'000	
Revenue	737	1,167	(37%)	2,616	4,706	(44%)	
Cost of Sales	(605)	(922)	(34%)	(1,719)	(3,762)	(54%)	
Gross Profit	132	245	(46%)	897	944	(5%)	
	18%	21%		34%	20%		
Other income	56	15	N/M	207	50	N/M	
Selling & distribution expenses	(149)	(110)	35%	(356)	(352)	1%	
Administrative expenses	(1,121)	(852)	32%	(3,506)	(1,891)	85%	
Other operating expenses	(129)	(9)	N/M	(342)	(3)	N/M	
Finance expenses	(106)	(4)	N/M	(119)	(13)	N/M	
Loss for the financial period before income tax	(1,317)	(715)	84%	(3,219)	(1,265)	N/M	
Income tax expense	-	-	N/M	(6)	1	N/M	
Net loss	(1,317)	(715)	84%	(3,225)	(1,264)	N/M	
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation loss	33	-	N/M	(13)	-	N/M	
Other comprehensive loss, net of tax	33	-	N/M	(13)	-	N/M	
Total comprehensive loss	(1,284)	(715)	80%	(3,238)	(1,264)	N/M	
Loss attributable to:							
Equity holders of the Company	(1,160)	(715)	62%	(2,787)	(1,264)	N/M	
Non-controlling interests	(157)	-	N/M	(438)	-	N/M	
	(1,317)	(715)	84%	(3,225)	(1,264)	N/M	
Loss attributable to:							
Equity holders of the Company	(1,136)	(715)	59%	(2,806)	(1,264)	N/M	
Non-controlling interests	(148)	-	N/M	(432)	-	N/M	
Net loss for the financial period	(1,284)	(715)	80%	(3,238)	(1,264)	N/M	

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	3 months ended			9 months ended		
	30.09.16 (Unaudited) S\$'000	30.09.15 (Unaudited) S\$'000		30.09.16 (Unaudited) S\$'000	30.09.15 (Unaudited) S\$'000	
Interest expense on borrowings	(106)	(4)	N/M	(119)	(13)	N/M
Depreciation of property, plant and equipment	(47)	(2)	N/M	(125)	(6)	N/M
Allowance for impairment of trade receivables	(56)	-	N/M	(56)	-	N/M
Write off of property, plant and equipment	(11)	-	N/M	(14)	-	N/M
Foreign exchange gain	10	(9)	N/M	(12)	(3)	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 30.09.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000	As at 30.09.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash & cash equivalents	3,362	3,519	2,148	2,031
Trade receivables	341	466	-	-
Other receivables & prepayments	5,441	332	2,546	79
Inventories	86	434	-	-
Total current assets	9,230	4,751	4,694	2,110
Non-current assets				
Investment in subsidiary corporations	-	-	18,402	18,402
Property, plant and equipment	305	373	32	2
Intangible asset	418	418	-	-
Goodwill	17,886	17,886	-	-
Total non-current assets	18,609	18,677	18,434	18,404
Total assets	27,839	23,428	23,128	20,514
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	84	127	-	-
Other payables	5,078	4,900	4,346	3,932
Borrowing	3,514	-	-	-
Total current liabilities	8,676	5,027	4,346	3,932
Non-current liabilities				
Borrowing	1,000	-	1,000	-
Deferred income tax liabilities	71	71	-	-
Total non-current liabilities	1,071	71	1,000	-
Total liabilities	9,747	5,098	5,346	3,932
Net assets	18,092	18,330	17,782	16,582
Capital and reserves attributable to equity holders of the Company				
Share capital	49,485	46,485	49,485	46,485
Other reserves	(31,684)	(28,878)	(31,703)	(29,903)
Share capital and reserves	17,801	17,607	17,782	16,582
Non-controlling interests	291	723	-	-
Total equity	18,092	18,330	17,782	16,582

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

	Group	
	30.09.2015 (Unaudited)	31.12.2015 (Audited)
	S\$'000	S\$'000
Current liabilities		
Loan facility ⁽ⁱ⁾	3,514	-
	<hr/>	<hr/>
	3514	-
	<hr/>	<hr/>
Non-current liabilities		
Loan facility ⁽ⁱⁱ⁾	1,000	-
	<hr/>	<hr/>
	1,000	-
	<hr/>	<hr/>

- (i) 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. The loan bears interest at a rate of 12% per annum and is repayable within 6 months from 20 June 2016.
- (ii) Non-secured shareholder loan from Dato Dr Choo Yeow Ming. The non-secured loan bears interest at a rate of 6% per annum and is due for repayment on 5 March 2020.

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

	Group			
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Net loss	(1,317)	(715)	(3,225)	(1,264)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	-	-	6	(1)
Depreciation of property, plant and equipment	47	2	125	6
Write off of property, plant and equipment	11	-	14	-
Employee share option expense	-	178	-	532
Unrealised currencies translation	(11)	(9)	(12)	(2)
Interest expense	106	4	119	13
Operating cash outflows before movements in working capital	(1,164)	(540)	(2,973)	(716)
Trade and other receivables	(1,663)	195	(4,989)	539
Inventories	156	442	347	(160)
Trade and other payables	(93)	(104)	135	(39)
Cash used in operations	(2,764)	(7)	(7,480)	(376)
Income tax paid	6	(2)	-	(209)
Interest expense	(106)	(4)	(119)	(13)
Net cash used in operating activities	(2,864)	(13)	(7,599)	(598)
Cash flow used in investing activities				
Purchase of property, plant and equipment	(9)	-	(67)	(2)
Net cash used in financing activities	(9)	-	(67)	(2)
Cash flows from financing activities				
Proceeds from issuance/ exercise of warrants	-	840	-	887
Proceeds/ (repayment) of borrowings	1,016	(615)	4,514	(357)
Proceeds from issuance of new shares	-	-	3,000	-
Net cash provided by financing activities	1,016	225	7,514	530
Net (decrease)/ increase in cash and cash equivalents	(1,857)	212	(152)	(70)
Beginning of the financial period	5,188	9,556	3,519	9,837
Effect of currency translation on cash and cash equivalents	31	-	(5)	1
End of the financial period	3,362	9,768	3,362	9,768

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

	Group			
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	3,362	9,768	3,362	9,768
Less: bank deposits pledged	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>
Cash and cash equivalents per consolidated statement cash flows	<u>1,862</u>	<u>8,268</u>	<u>1,862</u>	<u>8,268</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
Issuance of warrants					840	840		840
Employee Share Option Scheme								
- Value of employee services	-	-	-	532	-	532	-	532
Other comprehensive income	-	(2)	-	-	-	(2)	-	(2)
Total comprehensive loss for the period	-	-	(1,264)	-	-	(1,264)	-	(1,264)
Balance as at 30.09.2015	38,185	7	(30,433)	1,038	1,115	9,912	-	9,912
(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	-	(19)	-	-	-	(19)	6	(13)
Total comprehensive loss for the period	-	-	(2,787)	-	-	(2,787)	(438)	(3,225)
Balance as at 30.09.2016	49,485	(7)	(33,830)	1,038	1,115	17,801	291	18,092

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		532	(24)	579
Issuance of warrants				840	840
Employee Share Option Scheme					
- Value of employee services	-	-	-	-	-
Total comprehensive loss for the period	-	(1,494)	-	-	(1,494)
Balance as at 30.09.2015	38,185	(30,709)	1,038	1,115	9,629
(Unaudited)					
Balance as at 01.01.2016	46,485	(32,055)	1,038	1,115	16,583
Issuance of shares	3,000	-	-	-	3,000
Total comprehensive loss for the period	-	(1,801)	-	-	(1,801)
Balance as at 30.09.2016	49,485	(33,856)	1,038	1,115	17,782

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 July 2016	2,949,133,315	49,485
Balance as at 30 September 2016	2,949,133,315	49,485

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

No warrants pursuant to the Rights cum Warrants Issue were exercised during the financial period ended 30 September 2016 ("3Q2016"). As at 30 September 2016, there were 66,179,592 (30 September 2015: 66,179,592) outstanding warrants pursuant to the Rights cum Warrants Issue which may be exercisable into 66,179,592 (30 September 2015: 66,179,592) ordinary shares of the Company.

There was no exercise of the 110 million 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 September 2016. (As at 30 September 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 September 2016. (30 September 2015: 840 million)

In 3Q2016, no employee share options were exercised. As at 30 September 2016, the Company had 105,850,000 (30 September 2015: 107,750,000) outstanding employee share options. There were no employee share options exercised during 30 June 2016 to 3Q2016. 1,700,000 employee share options had lapsed following the cessation of employment of two employees in 3Q2016.

There were no treasury shares as at 30 September 2016 and 30 September 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 30.09.2016	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 September 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		9 months ended	
	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
Basic (Singapore cents) ⁽¹⁾	(0.04)	(0.04)	(0.01)	(0.07)
Diluted (Singapore cents) ⁽²⁾	(0.04)	(0.04)	(0.01)	(0.07)

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\$1,160,000 for 3 months period ended 30 September 2016 (30 September 2015: S\$715,000) and loss attributable to equity holders of the Company of approximately S\$2,787,000 for 9 months period ended 30 September 2016 (30 September 2015: S\$1,264,000) divided by the weighted average number of shares of 2,882,344,994 shares (30 September 2015: 1,894,186,841 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	
	30.09.16 Unaudited	31.12.15 Audited	30.09.16 Unaudited	31.12.15 Audited
Net asset value per ordinary share (Singapore cents)	0.60	0.66	0.60	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 September 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

	3Q2016	3Q2015	Variance		9M2016	9M2015	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading & distribution	539	1,167	(628)	(54%)	1,931	4,706	(2,775)	(59%)
Aesthetics Medical	198	-	198	N/M	685	-	685	N/M
Total	737	1,167	(430)	(37%)	2,616	4,706	(2,090)	(44%)

The Group's revenue decreased by 37% to S\$0.737 million in 3Q2016. The revenue from the trading and distribution operations for 3Q2016 was S\$0.539 million. A decrease of S\$0.628 million as compared to the revenue of S\$1.167 million in the previous corresponding financial period ended 30 September 2015 ("3Q2015"). 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\$0.198 million of revenue during 3Q2016 (3Q2015: nil). The revenue generated from medical aesthetic segment is from Taiwan our clinic. 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 and anti-aging/rejuvenation practices in two locations in Shenzhen.

ii) Gross profit and gross profit margin

The Group's gross profit from operations decreased by 46% in 3Q2016 from S\$0.245 million to S\$0.132 million.

iii) Other operating income

Other operating income of S\$0.05 million in 3Q2016 was mainly due to sundry sales and reimbursement of expenses from services provided by iMyth Taiwan to its customers.

iv) Selling and distribution expenses

Selling and distribution expenses increased by 35% in 3Q2016 mainly due to marketing costs and one-off set up costs for aesthetics medical business in Shenzhen.

v) Administrative expenses

Administrative expenses increased by S\$0.269 million in 3Q2016 mainly due to higher 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\$0.120 million in 3Q2016 was mainly due to S\$0.05 million of allowance for impairment of amount due from customer in Trading and Distribution segment, S\$0.03 million incurred due to consolidation of the other operating expenses from the medical aesthetic segment consisting of office overheads, advertisement expenses and impairment of equipment of approximately S\$0.01 million.

vii) Finance expenses

Finance expenses increased by approximately S\$0.1 million in 3Q2016 mainly due to accrued interest for HKD20 million loan granted by Concorde Global Limited.

Review of the Financial Position of the Group

viii) Balance sheet

Total assets of the Group increased by S\$4.41 million from S\$23.43 million as at 31 December 2015 to S\$27.84 million as at 30 September 2016. This was mainly attributable to increase in other receivables of S\$5.11 million, mainly due to advances made for investments in CMIG Ren Feng Futian, CMIG Ren Feng Nanshan and CMIG Ren Feng Med-Biotechnology Limited. This was offset by decrease in trade receivables of S\$0.125 million and decrease in inventories of S\$0.348 million due to slower sales in trading and distribution segment, S\$0.047 million depreciation and S\$0.011 million write off of property, plant and equipment from the Group's Taiwan clinic.

Total liabilities of the Group increased by S\$4.65 million from S\$5.1 million in 31 December 2015. This was mainly due to loan of S\$3.50 million from Concorde Global Limited as announced on 20 June 2016 and a loan from a shareholder of S\$1 million.

Review of the Cash Flow Statement of the Group

ix) Cash flow

Net cash used in operating activities in 3Q2016 amounted to S\$2.864 million and S\$7.6 million for 9 months period ended 30 September 2016. The operating cash outflows before movement in working capital was S\$1.16 million in 3Q2016 and S\$2.97 million for 9 months period ended 30 September 2016. The net cash outflow from changes in working capital was mainly due to increase in trade and other receivables.

Net cash used in investing activities of S\$0.01 million in 3Q 2016 was due to purchase of property, plant and equipment.

The net cash generated from financing activities in 3Q2016 amounted to S\$1 million being proceeds from the loan from shareholder.

Cash and cash equivalents were S\$3.362 million as at 30 September 2016 as compared to S\$9.768 million as at 30 September 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. The situation is worsen by the closing of production operation by certain Malaysian based steel mills.

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 has entered into joint venture agreements with several parties for the purpose of management of medical aesthetic clinics, and anti-aging and rejuvenation practices.

In line with the Group's strategic plans to pursue new investment opportunities and generate new revenue streams to improve profitability, the Group has recently announced its proposed acquisition of The Sloane Clinic, a well-known group of medical aesthetics clinics in Singapore and Malaysia. This acquisition if completed is expected to give the Group a major presence in the Singapore and Malaysia aesthetics medical market.

The Group will continue to seek new opportunities in China and the region to enhance and grow its medical businesses.

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 for the current financial period reported on.

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 3Q2016. 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 6 November 2016, the net proceeds had been utilised as follows:

	Allocation of net Proceeds raised (S\$)	Amount utilised from 2 Feb 2016 to 11 August 2016 (S\$)	Amount utilised from 11 August 2016 to 6 November 2016 (the "Period") (S\$)	Amount unutilised (S\$)
(A) Proceeds from 200 mil shares placement				
Funding Growth Expansion	1,568,000	1,568,000	-	-
Working Capital	672,000	112,076	559,924	-
(B) Proceeds from 300 mil shares placement				
Funding Growth Expansion	2,100,000	1,658,000	409,610	32,390
Working Capital	900,000		57,903	842,097
Total Amount	5,240,000	3,338,076	1,027,437	874,487

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

Notes:

- (A) 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\$559,924 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.

- (B) 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.

During the Period, S\$409,610 has been used to fund growth expansion and S\$57,903 from the working capital portion of the placement proceeds was utilised for expenses related to operation of the Group mainly relate to payment of administrative expenses and operating expenses.

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 3Q2016 to be false or misleading in any material aspect.

By Order of the Board

Tai Kok Chuan
Executive Chairman
11 November 2016