



**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

SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

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 3 months ended			Increase/ (Decrease) %	Group 6 months ended		
	30.6.18 (Unaudited) S\$'000	30.6.17 (Unaudited) S\$'000			30.6.18 (Unaudited) S\$'000	30.6.17 (Unaudited) S\$'000	Increase/ (Decrease) %
Revenue	649	458	42%	1,243	1,037	20%	
Cost of Sales	(320)	(286)	12%	(624)	(653)	(4%)	
Gross Profit	329	172	91%	619	384	61%	
	51%	38%		50%	37%		
Other income	10	66	(85%)	30	153	(80%)	
Selling & distribution expenses	(57)	(35)	63%	(91)	(100)	(9%)	
Administrative expenses	(593)	(595)	(0.3%)	(1,127)	(1,851)	(39%)	
Other operating expenses	(15)	(78)	(81%)	(45)	(146)	(69%)	
Finance expenses	(159)	(159)	0%	(318)	(326)	(2%)	
Loss for the financial period before income tax	(485)	(629)	(23%)	(932)	(1,886)	(51%)	
Income tax expense	-	-	N/M	-	(2)	N/M	
Net loss	(485)	(629)	(23%)	(932)	(1,888)	(51%)	
Other comprehensive loss: Item that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation loss	(126)	(12)	N/M	(48)	(23)	109%	
Other comprehensive loss, net of tax	(126)	(12)	N/M	(48)	(23)	109%	
Total comprehensive loss	(611)	(641)	(5%)	(980)	(1,911)	(49%)	
Loss attributable to:							
Equity holders of the Company	(480)	(613)	(22%)	(923)	(1,760)	(48%)	
Non-controlling interests	(5)	(16)	(69%)	(9)	(128)	(93%)	
Net loss for the financial period	(485)	(629)	(23%)	(932)	(1,888)	(51%)	
Loss attributable to:							
Equity holders of the Company	(600)	(631)	(5%)	(972)	(1,780)	(45%)	
Non-controlling interests	(11)	(10)	10%	(8)	(131)	(94%)	
Total comprehensive loss for the financial period	(611)	(641)	(5%)	(980)	(1,911)	(49%)	

Notes to Consolidated Statement of Comprehensive Income

	Group 3 months ended		Increase/ (Decrease) %	Group 6 months ended		Increase/ (Decrease) %
	30.6.18 (Unaudited)	30.6.17 (Unaudited)		30.6.18 (Unaudited)	30.6.17 (Unaudited)	
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest expense on borrowings	(117)	(199)	(41%)	(233)	(326)	(29%)
Depreciation of property, plant and equipment	(21)	(37)	(43%)	(42)	(78)	(46%)
Amortisation of long term payables	(42)	(55)	(24%)	(85)	(110)	(23%)
Impairment of other receivables	-	-	N/M	-	(250)	N/M
Write off of property, plant and equipment	-	(16)	N/M	-	(16)	N/M
Foreign exchange (loss)/ gain	(1)	(15)	(93%)	1	(5)	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 30.6.18 Unaudited S\$'000	As at 31.12.17 Audited S\$'000	As at 30.6.18 Unaudited S\$'000	As at 31.12.17 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash & cash equivalents	2,914	3,847	1,694	2,919
Trade and other receivables	591	550	362	92
Inventories	41	44	-	-
Total current assets	3,546	4,441	2,056	3,011
Non-current assets				
Investment in subsidiary corporations	-	-	352	352
Property, plant and equipment	41	76	11	9
Intangible asset	-	-	-	-
Goodwill	-	-	-	-
Total non-current assets	41	76	363	361
Total assets	3,587	4,517	2,419	3,372
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	986	1,123	1,092	975
Borrowings	3,477	3,421	-	298
Income tax payable	10	25	1	3
Total current liabilities	4,473	4,569	1,093	1,276
Non-current liabilities				
Trade and other payables	3,263	3,178	3,263	3,178
Total non-current liabilities	3,263	3,178	3,263	3,178
Total liabilities	7,736	7,747	4,356	4,454
Net liabilities	(4,149)	(3,230)	(1,937)	(1,082)
Capital and reserves attributable to equity holders of the Company				
Share capital	57,378	57,152	57,378	57,152
Other reserves	1,138	1,352	1,038	1,203
Accumulated losses	(62,749)	(61,826)	(60,353)	(59,437)
Share capital and reserves	(4,233)	(3,322)	(1,937)	(1,082)
Non-controlling interests	84	92	-	-
Total equity	(4,149)	(3,230)	(1,937)	(1,082)

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 30.6.2018 Unaudited		As at 31.12.2017 Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Loan facilities ^(a)	3,477	-	3,421	-

Details of any collateral

- (a) Approximately S\$3.477 million (HK\$20 million) loan borrowed by the Company's wholly owned subsidiary, CMIC Hemodialysis (Hong Kong) Limited, is secured by a corporate guarantee granted by the Company and a deed of guarantee granted by one of the Company's shareholder, Dato Dr Choo Yeow Ming. The loan currently bears interest at a rate of 14% per annum and the repayment date of this loan is 27 December 2018.

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		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000	Unaudited S\$'000
Net loss	(485)	(629)	(932)	(1,888)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	-	-	-	2
Depreciation of property, plant and equipment	21	37	42	78
Write off of property, plant and equipment	-	16	-	16
Amortisation of long term payables	42	-	85	-
Unrealised currencies translation (gain)/ loss	8	(66)	7	(211)
Interest income	(2)	-	(7)	-
Interest expense	117	159	233	326
Operating cash flows before movements in working capital	(299)	(483)	(572)	(1,677)
Trade and other receivables	(209)	(55)	(41)	139
Inventories	(16)	16	3	32
Trade and other payables	93	(134)	(137)	(257)
Cash used in operations	(431)	(656)	(747)	(1,763)
Income tax paid	(13)	-	(15)	(2)
Interest income	2	-	7	-
Interest expense	(117)	(159)	(233)	(326)
Net cash used in operating activities	(559)	(815)	(988)	(2,091)
Cash flow used in investing activities				
Purchase of property, plant and equipment	-	-	(7)	-
Net cash used in investing activities	-	-	(7)	-
Cash flows from financing activities				
Redemption of warrants	-	-	-	(500)
Proceeds from issuance of new shares	-	1,440	-	1,440
Proceeds from conversion of warrants	-	-	61	-
Share placement proceeds received in advance	-	(1,440)	-	-
Proceeds from borrowing	-	-	-	200
Net cash generated from financing activities	-	-	61	1,140
Net decrease in cash and cash equivalents	(559)	(815)	(934)	(951)
Cash and cash equivalents at the beginning of the financial period	3,470	2,379	3,847	2,525
Effect of currency translation on cash and cash equivalents	3	5	1	(5)
End of the financial period	2,914	1,569	2,914	1,569

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 (cont'd)

Represent by:

	Group			
	3 months ended		12 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	2,914	1,569	2,914	1,569
Less: bank deposits pledged	(504)	(503)	(504)	(503)
Cash and cash equivalents per consolidated statement cash flows	2,410	1,066	2,410	1,066

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

Group	Share capital	Currency translation reserves	Accumulated losses	Share option reserve	Warrant reserve	Attributable to equity holders of company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)								
Balance as at 1.1.2017	50,000	18	(49,799)	1,038	1,415	2,672	(56)	2,616
Redemption of warrants					(500)	(500)	-	(500)
Expiry of warrants	110	-	-	-	(110)	-	-	-
Issuance of new shares	1,440	-	-	-	-	1,440	-	1,440
Other comprehensive loss	-	(12)	-	-	-	(12)	(11)	(23)
Total comprehensive loss for the period	-	-	(1,760)	-	-	(1,760)	(128)	(1,888)
Balance as at 30.6.2017	51,550	6	(51,559)	1,038	805	1,840	(195)	1,645
(Unaudited)								
Balance as at 1.1.2018	57,152	149	(61,826)	1,038	165	(3,322)	92	(3,230)
Conversion of warrants	75	-	-	-	(14)	61	-	61
Expiry of warrants	151	-	-	-	(151)	-	-	-
Other comprehensive loss	-	(49)	-	-	-	(49)	1	(48)
Total comprehensive loss for the period	-	-	(923)	-	-	(923)	(9)	(932)
Balance as at 30.6.2018	57,378	100	(62,749)	1,038	-	(4,233)	84	(4,149)

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)

Company	Share capital S\$'000	Accumulated losses S\$'000	Share option reserves S\$'000	Warrant reserve S\$'000	Total S\$'000
(Unaudited)					
Balance as at 01.01.2017	50,000	(47,708)	1,038	1,415	4,745
Redemption of warrants	-	-	-	(500)	(500)
Expiry of warrants	110	-	-	(110)	-
Issuance of shares	1,440	-	-	-	1,440
Total comprehensive loss for the period	-	(1,246)	-	-	(1,246)
Balance as at 30.6.2017	51,550	(48,954)	1,038	805	4,439
(Unaudited)					
Balance as at 01.01.2018	57,152	(59,437)	1,038	165	(1,082)
Conversion of warrants	75	-	-	(14)	61
Expiry of warrants	151	-	-	(151)	-
Total comprehensive loss for the period	-	(916)	-	-	(916)
Balance as at 30.6.2018	57,378	(60,353)	1,038	-	(1,937)

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the issued share capital of the Company for the 3 months financial period ended 30 June 2018 (“2Q2018”). As at 30 June 2018, the issued and paid up capital of the Company is approximately S\$57,378,000 comprising 8,812,778,946 shares.

No warrants pursuant to the 2017 Rights cum Warrants Issue were exercised during 2Q2018. As at 30 June 2018, there were 5,601,440,009 free detachable warrants (“2017 Warrants”) which may be exercisable into 5,601,440,009 ordinary shares of the Company (30 June 2017: Nil. There were no outstanding 2017 Warrants as the 2017 Warrants were issued on 31 October 2017).

In 2Q2018, no employee share options were exercised. During 2Q2018, 4,161,000 employee share options had lapsed due to expiry of the employee share option. As at 30 June 2018, the Company had 258,182,000 outstanding employee share options exercisable into 258,182,000 new ordinary shares of the Company (30 June 2017: 103,950,000, pursuant to repricing of the existing employee share option, the outstanding number of employee share option as at 30 June 2017 were adjusted to 262,343,000 in October 2017).

Save as disclosed above, the Company did not have any other convertibles as at 30 June 2018 and 30 June 2017.

There were no treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

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	Company
	30.06.2018	31.12.2017
Total number of issued shares excluding treasury shares	8,812,778,946	8,800,573,324

There were no treasury shares as at 30 June 2018 and 31 December 2017.

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

Not applicable as the Company did not have any treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable as the Company did not use any subsidiary holdings during and as at the end of the current financial period reporting 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. The figures have not been audited or reviewed by the Company's auditors.

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

Except as disclosed in paragraph 5 below, 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 2017.

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 adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s.

In adopting SFRS(I)s, the Group applied all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group had also applied new major SFRS(I) equivalent of IFRS 15 Revenue from Contracts with Customers.

The adoption of these SFRS (I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

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		6 months ended	
	30.06.2018 (Unaudited)	30.06.2017 (Unaudited)	30.06.2018 (Unaudited)	30.06.2017 (Unaudited)
Basic (Singapore cents) ⁽¹⁾	(0.005)	(0.020)	(0.010)	(0.057)
Diluted (Singapore cents) ⁽²⁾	(0.005)	(0.020)	(0.010)	(0.057)

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\$480,000 for 3 months period ended 30 June 2018 (30 June 2017: S\$613,000) and loss attributable to equity holders of the Company of approximately S\$923,000 for 6 months period ended 30 June 2018 (30 June 2017: S\$1,760,000), divided by the weighted average number of shares of 8,806,976,107 shares (30 June 2017: 3,095,265,912 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	
	30.06.18 Unaudited	31.12.17 Audited	30.06.18 Unaudited	31.12.17 Audited
Net liabilities value per ordinary share (Singapore cents)	(0.05)	(0.04)	(0.02)	(0.01)

The net liabilities value per ordinary share of the Group and the Company was calculated based on the Group's and the Company's net liabilities value as at 30 June 2018 and 31 December 2017 divided by 8,812,778,946 ordinary shares (31 December 2017: 8,800,573,324 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:

- (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 the Income Statement of the Group

i) Revenue

	2Q2018	2Q2017	Variance	
	S\$'000	S\$'000	S\$'000	%
Trading & distribution	544	391	153	39%
Aesthetics Medical	105	67	38	57%
Total	<u>649</u>	<u>458</u>	191	42%

The Group's revenue from its trading and distribution business for the 2Q2018 was S\$0.544 million, an increase of 39% or S\$0.153 million increase as compared to the revenue of S\$0.391 million for the 2Q2017. This due to improved market demand and improved steel production in the region.

Medical aesthetic segment recorded 57% increase in revenue or S\$0.038 million of revenue in 2Q2018 to S\$0.105 million (2Q2017: S\$0.067 million). The improved performance in this segment was due to slightly better demand of anti-ageing services during the quarter. The improvement is expected to be one off.

ii) Gross profit and gross profit margin

The Group's gross profit of 2Q2018 from operations increased by S\$0.157 million or 91% from S\$0.172 million in 2Q2017 to S\$0.329 million in the 2Q2018 as a result of higher revenue and improved margin.

iii) Other operating income

Other operating income of S\$0.001 million in 2Q2018 was mainly due to Temporary Employment Credit received from IRAS for period ended July to December 2017.

The decrease in other operating income of S\$0.056 million or 85% from S\$0.066 million in 2Q2017 was due to lower cosmetics products revenue and consultancy fees generated in medical aesthetics division.

iv) Selling and distribution expenses

Selling and distribution expenses increased by S\$0.022 million or 63% increase from S\$0.035 million in 2Q2017 to S\$0.057 million in 2Q2018 mainly due to higher marketing costs and outward freight charges.

v) Administrative expenses

Administrative expenses decreased by S\$0.002 million or 0.3% from S\$0.595 million in 2Q2017 to S\$0.593 million in 2Q2018 mainly due to lower travelling expenses incurred by medical aesthetics division due to lesser frequency of overseas trips.

vi) Other operating expenses

Other operating expenses decreased by approximately S\$0.060 million or 81% from S\$0.078 million in 2Q2017 to S\$0.015 million in 2Q2018 was mainly due to lower staff welfare expenses incurred in the aesthetics medical during the financial period under review.

vii) Finance expenses

During the financial period under review, the finance expenses remain unchanged as there was no new loan taken and the interest rates for the financial period remained at the same level at 14%.

viii) Income tax

There was no further income tax expense provision in 2Q2018.

ix) Depreciation of property, plant and equipment

Depreciation decreased by S\$0.016 million in 2Q2018 or 43% from S\$0.037 million in 2Q2017, mainly due to full depreciation and impairment of property, plant and equipment in the previous financial year.

Review of the Financial Position of the Group

x) Assets

Total assets of the Group decreased by S\$0.930 million from S\$4.517 million as at 31 December 2017 to S\$3.587 million as at 30 June 2018. This was mainly attributable to a decrease in cash and cash equivalents of approximately S\$0.933 million due to payment of operating expenses and decrease in carrying value of property, plant and equipment of S\$0.035 million due to depreciation of property, plant and equipment. The decrease was slightly offset by an increase in trade and other receivables of approximately S\$0.041 million due to trade receivables in trading and distribution division arising from higher sales volume during the period.

xi) Liabilities

Total liabilities of the Group decreased by S\$0.011 million from S\$7.747 million as at 31 December 2017 to S\$7.736 million as at 30 June 2018. This was mainly attributable to a decrease in trade and other payables of S\$0.137 million from repayment of trade payables in trading and distribution business, decreased in tax liabilities of S\$0.015 million due to payment of tax during the current financial period. However, the reduction in liabilities were offset by the increase in trade and other payables due to the accretion of interest amounting to S\$0.085 million as a result of the fair valuation adjustment on the S\$3.5 million amount owing to a vendor and retranslation gain in carrying value of the Group's borrowing for S\$0.056 million.

xii) Negative working capital

As at the balance sheet date, the Group was in negative working capital of S\$0.927 million and negative shareholders' fund of S\$4.149 million and as at that date, the Company has negative shareholders' fund of S\$1.937 million. Notwithstanding this, the Board and Management is of the view that the Group is able to continue as a going concern due to the followings:

(a) Dato Dr Choo has provided a letter of financial support expressing his willingness to provide continuing financial support to the Group and the Company upon terms and conditions agreeable to both parties to enable the Group to continue to operate and meet its financial obligations and commitments as and when they fall due in the next 12 months from 3 April 2018.

(b) The Group has obtained a written undertaking from Dato Dr Choo not to demand repayment of a long term payables of S\$3.500 million (being the balance of

consideration owing by the Company for the acquisition of 51% of China iMyth Company Pte Ltd from the vendor. Dato Dr Choo is a director and he has 55% equity interest in the vendor) until the date when the Group has the financial ability to make the repayment or the contractual maturity date on 6 November 2019.

- (c) In relation to the HK\$20 million (S\$3.477 million) extended by a third party to a subsidiary corporation, CMIC Hemodialysis (Hong Kong) Limited of which is due to expire on 27 December 2018, Dato Dr Choo had signed an agreement to make available till 1 May 2019 an advance of up to the amount pursuant to this third party loan to repay on behalf of the subsidiary corporation of the Group should it be unable to repay in full or in part.

Concurrently, the Company will continue to look for other fund raising exercise to fund the working capital of the Group and to improve its financial position.

Review of the Cash Flow Statement of the Group

xiii) Cash flow

Net cash used in operating activities in 2Q2018 amounted to S\$0.559 million. The operating cash outflows before movement in working capital was S\$0.299 million in 2Q2018. The net cash outflow from changes in working capital of approximately S\$0.132 million was mainly due to outflow of S\$0.209 million in trade and other receivables an inflow of S\$0.093 million of trade and other payables.

There was no cash flow for investing and finance activities for 2Q2018.

In 2Q2018, S\$0.117 million interest payment was made for the HK\$20 million (equivalent to S\$3.477 million) loan from Concorde Global Limited.

Cash and cash equivalents were S\$2.914 million as at 30 June 2018 as compared to S\$1.569 million as at 30 June 2017.

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 Group's operations in aesthetic medical services in Taiwan and China had shown a small pick up that stemmed from local demand. The management will continue to organise local marketing campaigns to further improve the result in this segment.

The Group's trading and distribution division's business had shown a slight improvement but the business may be affected by the current world trade situation. The management remains cautious about the long-term recovery of this segment and will continue to monitor the performance in this segment and prepare to react to market changes to ensure positive growth in this segment.

The Group will continue to pursue all opportunities which will complement the Group's medical and healthcare service and consider any other possibilities or opportunities for future growth.

11. Dividend

If a decision regarding dividend has been made:-

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

No dividend has been declared or recommended for the current financial 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 shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

Not applicable

12. 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.

13. 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 2Q2018. The Group does not have a general mandate from shareholders for IPTs.

14. 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.

15. Use of Proceeds

As at 3 August 2018, the net proceeds had been utilised as follows:

	Allocation of net proceeds raised (S\$'000)	Amount Utilised before 04-May-18 (S\$'000)	Amount Utilised from 04-May-18 to 03-Aug-18 (S\$'000)	Amount Unutilised as at 03-Aug-18 (S\$'000)
(A) Proceeds from 2017 Rights cum Warrants issue				
(i) Working Capital	2,801	(1,751)	(371)	679
(ii) Repayment of loans	2,800	(2,640)	-	160
Total Amount	5,601	(4,391)	(371)	839

The above use of proceeds is in accordance with the revised use as stated in the announcements dated 10 November 2017.

Notes:

(A) The proceeds from 2017 Rights cum Warrants Issue comprised S\$4.118 million from rights subscribed and S\$1.483 million from excess application, the Company announced the revised use of proceeds from the Rights cum Warrants Issue to 50.01% working capital and 49.99% repayment of loans.

- (i) During the period S\$118,000 from the working capital portion of the proceeds from the 2017 Rights cum Warrants Issue was utilised for expenses relating to the operations of the Group. Such expenses mainly related to administrative and operating expenses.

Working Capital	Amount Utilised from 04-May-2018 to 03-Aug-2018 (S\$'000)
Professional Fees	84
Administrative Expenses	6
Loan Interest	78
Payroll Related	192
Other Operating Expenses	11
Total	371

- (ii) There was no fund utilised for repayment of loans for the period of 04 May 2018 to 03 August 2018.

16. 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 2Q2018 to be false or misleading in any material aspect.

By Order of the Board
Hano Maeloa
10 August 2018

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.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)