



**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)**

FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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) %
	31.03.16 (Unaudited) S\$'000	31.03.15 (Unaudited) S\$'000	
Revenue	1,063	1,800	-41%
Cost of Sales	(705)	(1,495)	-53%
Gross Profit	358	305	17%
Other income	134	20	570%
Selling & distribution expenses	(95)	(119)	-20%
Administrative expenses	(1,110)	(478)	132%
Other operating expenses	(75)	23	N/M
Finance expenses	-	(5)	N/M
Loss for the financial period before income tax	(788)	(254)	210%
Income tax expense	-	2	N/M
Net loss	(788)	(252)	213%
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation loss	(30)	-	N/M
Other comprehensive loss, net of tax	(30)	-	N/M
Total comprehensive loss	(818)	(252)	224%
Loss attributable to:			
Equity holders of the Company	(641)	(252)	154%
Non-controlling interests	(147)	-	N/M
	(788)	(252)	213%
Loss attributable to:			
Equity holders of the Company	(667)	(252)	165%
Non-controlling interests	(151)	-	N/M
Net loss for the financial period	(818)	(252)	225%

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease) %
	31.03.16 (Unaudited) S\$'000	31.03.15 (Unaudited) S\$'000	
	Interest expense on borrowings	-	
Depreciation of property, plant and equipment	(39)	(2)	N/M
Write off of property, plant and equipment	(3)	-	N/M
Foreign exchange gain	(38)	24	N/M

NM – 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 31.03.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000	As at 31.03.16 Unaudited S\$'000	As at 31.12.15 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash & cash equivalents	4,158	3,519	2,774	2,031
Trade receivables	434	466	-	-
Other receivables & prepayments	2,103	332	1,747	79
Inventories	173	434	-	-
Total current assets	6,868	4,751	4,521	2,110
Non-current assets				
Investment in subsidiary corporations	-	-	18,402	18,402
Property, plant and equipment	345	373	2	2
Intangible asset	418	418	-	-
Goodwill	17,886	17,886	-	-
Total non-current assets	18,649	18,677	18,404	18,404
Total assets	25,517	23,428	22,925	20,514
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	121	127	-	-
Other payables	4,813	4,900	3,801	3,932
Borrowings	-	-	-	-
Income tax payable	-	-	-	-
Total current liabilities	4,934	5,027	3,801	3,932
Non current liabilities				
Deferred income tax liabilities	71	71	-	-
Total non-current liabilities	71	71	-	-
Total liabilities	5,005	5,098	3,801	3,932
Net assets	20,512	18,330	19,124	16,582
Capital and reserves attributable to equity holders of the Company				
Share capital	49,485	46,485	49,485	46,485
Other reserves	(29,545)	(28,878)	(30,361)	(29,903)
Share capital and reserves	19,940	17,607	19,124	16,582
Non-controlling interests	572	723	-	-
Total equity	20,512	18,330	19,124	16,582

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

The Group did not have any borrowings and debt securities as at 31 December 2015 and 31 March 2016.

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

	31.03.16	31.03.15
	Unaudited	Unaudited
	S\$'000	S\$'000
Cash flows from operating activities		
Net loss	(788)	(252)
Adjustments for:		
Income tax	-	(2)
Depreciation of property, plant and equipment	39	2
Write off of property, plant and equipment	3	-
Employee share option expense	-	177
Unrealised currencies translation loss	18	8
Interest expense	-	6
Operating cash flows before movements in working capital	(728)	(61)
Trade and other receivables	(1,739)	(260)
Inventories	260	6
Trade and other payables	(93)	(129)
Cash used in operations	(2,300)	(444)
Income tax paid	-	(204)
Interest expense	-	(6)
Net cash used in operating activities	(2,300)	(654)
Cash flow used in investing activities		
Purchase of property, plant and equipment	(23)	-
Net cash used in financing activities	(23)	-
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	3,000	
Proceeds from trade financing	-	338
Net cash generated from financing activities	3,000	338
Net increase/ (decrease) in cash and cash equivalents	677	(316)
Cash and cash equivalents at the beginning of the financial period	3,519	9,837
Effect of exchange rate changes on cash and cash equivalents	(38)	-
Cash and cash equivalents at end of the financial period	4,158	9,521

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 Reserve	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
Employee Share Option Scheme								
- Value of employee services	-	-	-	177	-	177	-	177
Other comprehensive income	-	8	-	-	-	8	-	8
Total comprehensive loss for the period	-	-	(252)	-	-	(252)	-	(252)
Balance as at 31.03.2015	38,114	17	(29,421)	683	299	9,692	-	9,692
(Unaudited)								
Balance as at 01.01.2016	46,485	12	(31,043)	1,038	1,115	17,607	723	18,330
Issuance of ordinary shares	3,000	-	-	-	-	3,000	-	3,000
Other comprehensive loss	-	(26)	-	-	-	(26)	(4)	(30)
Total comprehensive loss for the period	-	-	(641)	-	-	(641)	(147)	(788)
Balance as at 31.03.2016	49,485	(14)	(31,684)	1,038	1,115	19,940	572	20,512

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 reserve	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
Employee Share Option Scheme					
- Value of employee services	-	-	177	-	177
Total comprehensive loss for the period	-	(348)	-	-	(348)
Balance as at 31.03.2015	38,114	(29,563)	683	299	9,533
(Unaudited)					
Balance as at 01.01.2016	46,485	(32,056)	1,038	1,115	16,582
Issuance of shares	3,000	-	-	-	3,000
Total comprehensive loss for the period	-	(458)	-	-	(458)
Balance as at 31.03.2016	49,485	(32,514)	1,038	1,115	19,124

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 January 2016	2,649,133,315	46,485
Issuance of new shares	300,000,000	3,000
Balance as at 31 March 2016	2,949,133,315	49,485

The issued and paid up capital of the Company increased to approximately S\$49,485,000 comprising 2,949,133,315 shares as at 31 March 2016 from approximately S\$46,485,000 comprising 2,649,133,315 shares as at 31 December 2015.

During the financial period ended 31 March 2016 ("Q1-2016"), 300,000,000 new placement shares were issued at S\$0.01 each.

No warrants pursuant to the Rights cum Warrants Issue were exercised during Q1-2016. As at 31 March 2016, there were 66,179,592 outstanding warrants pursuant to the Rights cum Warrants Issue which may be exercisable into 66,179,592 ordinary shares of the Company. (As at 31 March 2015, there were 75,662,192 outstanding warrants pursuant to the Right cum Warrants Issue which may be exercisable into 75,662,192 ordinary shares of the Company).

110 million of the 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 were outstanding as at 31 March 2016. (As at 31 March 2015: 110 million warrants).

840 million of the non-listed, non-transferable warrants issued on 11 June 2015 at an exercise price of S\$0.01125 per warrants exercisable into 840 million ordinary shares of the Company were outstanding as at 31 March 2016. (As at 31 March 2015: nil).

In Q1-2016, no employee share options were exercised. As at 31 March 2016, the Company had 107,750,000 outstanding employee share options. There were no employee share options exercised during 31 March 2015 to Q1-2016. 200,000 employee share options had lapsed following the cessation of employment of an employee (As at 31 March 2015: 107,950,000 employee share options).

There were no treasury shares as at 31 March 2016 and 31 March 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 31.03.2016	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 31 March 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 during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

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

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

	Group	
	31.03.16 (Unaudited)	31.03.15 (Unaudited)
Loss per share		
Basic (Singapore cents) ¹	(0.023)	(0.013)
Diluted (Singapore cents) ²	<u>(0.023)</u>	<u>(0.013)</u>

Notes:

¹ The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of S\$641,000 for Q1-2016. (31 March 2015: S\$252,000) divided by the weighted average number of shares of 2,748,034,414 shares (31 March 2015: 1,889,650,715 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	
	31.03.16 Unaudited	31.12.15 Audited	31.03.16 Unaudited	31.12.15 Audited
Net asset value per ordinary share (Singapore cents)	0.68	0.66	0.65	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 31 March 2016 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:**
- (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

	Group		S\$'000	% Change
	31.03.16 Unaudited	31.03.15 Unaudited		
Trading & Distribution	784	1,800	(1,016)	-56%
Medical Aesthetics	279	-	279	N/M
Total	1,063	1,800	(737)	-41%

The Group's revenue from its trading and distribution operations for Q1-2016 was S\$0.784 million, a decrease of S\$1.01 million as compared to the revenue of S\$1.80 million in the previous corresponding financial period ended 31 March 2015 ("Q1-2015"). The 56% decline in trading and distribution revenue was due to weakening market demand and production coupled with import competition from competing steel producing countries with huge surplus productions.

Medical aesthetics segment recorded S\$0.279 million of revenue during Q1-2016 (Q1-2015: nil). The Group diversified into medical aesthetics in November 2015.

ii) Gross profit and gross profit margin

The Group's gross profit from operations increased by 17% from S\$0.305 million in Q1-2015 to S\$0.358 million in Q1-2016. This was mainly due to higher gross profit margin from the medical aesthetics businesses.

iii) Other operating income

Other operating income increased by S\$0.114 million to S\$0.134 million in Q1-2016 from S\$20,000 in Q1-2015 mainly due to forfeiture of monies amounting to S\$0.1 million pursuant to a terminated share placement agreement.

iv) Selling and distribution expenses

Selling and distribution costs decreased by 20% in Q1-2016 mainly due to lower employees costs, lower sales commission costs and lower outward freight charges corresponding to lower sales volume in trading and distribution segment.

v) Administrative expenses

Administrative expenses increased by S\$0.632 million from S\$0.478 million in Q1-2015 to S\$1.11 million in Q1-2016 mainly due to additional employee costs, travelling costs and depreciation of property, plant and equipment for the medical aesthetics segment.

vi) Other operating expenses

Other operating expenses increased to S\$75,000 in Q1-2016. The other operating income recorded in Q1-2015 was due to unrealized foreign exchange gain as a result of strong US dollar as US dollar was the billing currency to the customers and weakening Euro as Euro was billing currency by a major supplier.

In Q1-2016, US dollars weakened against regional currencies, as a result, a modest exchange loss was recorded in the current financial period under review.

In addition, the increase in other operating expenses was also due to consolidation of the other operating expenses from the medical aesthetics segment consisting of office overheads, advertisement expenses and equipment repair cost.

vii) Finance expenses

No banking facility was utilised during Q1-2016 hence, there was no finance cost during the financial period under review. In Q1-2015, finance expense comprised mainly interest incurred on trade financing.

viii) Income tax

There were no tax expenses in Q1-2016 as the entities were not in taxable position. In Q1-2015, income tax reversal of S\$2,000 is primarily due to the over-provision of tax expense for financial year ended 31 December 2014, adjusted in Q1-2015.

Review of the Financial Position of the Group

ix) Balance sheet

Total assets of the Group increased by S\$2.09 million from S\$23.43 million as at 31 December 2015 to S\$25.52 million as at 31 March 2016. This was attributable to an

increase in cash and cash equivalents of S\$0.639 million and increase in other receivables and prepayments of S\$1.77 million attributable to initial cash paid (prepayments) in relation to the lease of premises as well as the renovation of a kidney hospital and a medical aesthetics clinic in Qingdao.

Total liabilities of the Group decreased by S\$93,000 from 31 December 2015. This was mainly due to settlement of professional fees arising from the acquisition of China iMyth Company Pte Ltd during Q1-2016.

Review of the Cash Flow Statement of the Group

x) Cash flow

Net cash used in operating activities in Q1-2016 amounted to S\$2.3 million. The operating cash outflows before movement in working capital were S\$728,000. The net cash outflow from changes in working capital of S\$1.57 million was mainly due to increase in trade receivables, other receivables and prepayments and a decrease in other payables and accruals during the period.

The net cash generated from financing activities amounted to S\$3 million being proceeds from the issuance of 300 million placement shares.

Cash and cash equivalents were S\$4.16 million as at 31 March 2016 as compared to S\$9.521 million as at 31 March 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.

Both medical aesthetics and kidney hospital inclusive of haemodialysis services are on track to be operational at later part of the year. The Group is currently renovating the premises at the kidney hospital and Qingdao clinic and performing the necessary set up of its medical facilities at these locations.

The healthcare segment business is still at its early stages; the Group expects revenue contribution from this segment to grow in the second half of 2016.

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.

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 Q1-2016. 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 21 April 2016, the net proceeds had been utilised as follows:

Use of proceeds	Allocation of net proceeds raised (S\$)	Amount Utilised to 16 March 2016 (S\$)	Amount Utilised from 16 March 2016 to 21 April 2016 (the "Period") (S\$)	Amount Unutilised (S\$)
(A) Proceeds from the exercise of 2013 warrants				
Working Capital	9,216,000	8,586,056	181,428	448,516
(B) Proceeds from 840 mil warrants issue				
Funding Growth Expansion	588,000	588,000	-	-
Working Capital	252,000			252,000
(C) Proceeds from 200 mil shares placement				
Funding Growth Expansion	1,568,000	1,568,000	-	-
Working Capital	672,000			672,000
(D) Proceeds from 300 mil shares placement				
Funding Growth Expansion	2,100,000	1,658,000	-	442,000
Working Capital	900,000			900,000
Total Amount	15,296,000	12,400,056	181,428	2,714,516

The above use of proceeds is in accordance with the intended use as stated in the circular dated 6 March 2013 and announcements dated 11 June 2015 and 8 January 2016.

Notes:

- (A) The warrants issued related to non-listed, non-transferrable warrants to various individuals as announced on 6 June 2011, 14 June 2013, and 13 December 2013. The utilisation of the proceeds of S\$181,428 during the Period from the exercise of warrants were for working capital mainly related to payment of staff salaries, administrative expenses, operating expenses and Directors' remuneration.
- (B) The warrants issue related to non-listed, non-transferrable warrants to various individuals as announced on 11 June 2015. The proceeds of S\$588,000 that was earmarked for funding growth expansion have been fully utilised.
- (C) 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\$1,568,000 that was earmarked for funding growth expansion have been fully utilised.
- (D) 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. S\$1,658,000 has been used to fund growth expansion.

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 Q1-2016 to be false or misleading in any material aspect.

By Order of the Board

Tai Kok Chuan
Executive Chairman
9 May 2016