



SHC CAPITAL ASIA LIMITED

(Co Registration No: 201201631D)

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## **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2016**

### 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**”)(“the **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 financial years ended 31 December (“**FY**”) 2016 and 2015 have been presented in this announcement (unless otherwise stated).*

*The Company announced that it had on 24 October 2016 entered into a conditional sale and purchase agreement (“**SPA**”) with Yoma Strategic Investments Ltd. (“**YSIL**”), First Myanmar Investment Company Limited (“**FMI**”) and Exemplary Ventures Limited (collectively, “**Vendors**”), pursuant to which the Company shall acquire from the Vendors the entire issued and paid-up share capital (“**Sale Shares**”) of a company to be incorporated by YSIL and/or FMI which will in turn acquire the certain tourism related businesses in Myanmar, for a consideration to be satisfied in full by the issuance and allotment of new ordinary shares in the capital of the Company (“**Proposed Acquisition**”).*

*The Company announced on 14 December 2016 that a further extension of time was granted by the SGX-ST to meet the requirements for a new listing to 30 September 2017 subject to certain conditions being met. Please refer to announcements for more details.*

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**

	Notes	Company		% Change +/-
		FY2016 Unaudited S\$'000	FY2015 Audited S\$'000	
Finance income	1	85	92	-8%
<b>Total income</b>		<u>85</u>	<u>92</u>	-8%
Staff costs	2	(9)	(9)	0%
Depreciation of plant & equipment		(126)	(125)	1%
Other operating expenses	3	(2,323)	(2,636)	12%
<b>Total expenses</b>		<u>(2,458)</u>	<u>(2,770)</u>	11%
<b>Loss before income tax</b>		(2,373)	(2,678)	11%
Income tax expenses		-	(3)	n.a
<b>Loss for the year</b>		<u>(2,373)</u>	<u>(2,681)</u>	11%
Other comprehensive Income		-	-	n.a
<b>Other comprehensive income for the year, net of tax</b>		<u>-</u>	<u>-</u>	n.a
<b>Total comprehensive income for the year</b>		<u>(2,373)</u>	<u>(2,681)</u>	11%

n.a: not applicable

## Notes to the Statement of Comprehensive Income

The following items have been included in arriving at the loss for the year for the Company:

	Company	
	FY2016 Unaudited S\$'000	FY2015 Audited S\$'000
<b>1. Finance income</b>		
Interest income		
- Fixed deposits with banks (security deposits)	46	46
- Cash and cash equivalents	39	46
	<u>85</u>	<u>92</u>
<b>2. Staff costs</b>		
Salaries, bonus and other benefits	9	9
	<u>9</u>	<u>9</u>
<b>3. Other operating expenses include: -</b>		
Audit fees	107	37
Directors' fees	353	346
Interim management remuneration	600	600
Legal and professional fees related to the Proposed Acquisition	987	122
Legal and professional fees related to the Tong Da Acquisition (see note a below)	-	1,155
	<u>-</u>	<u>1,155</u>

Note:

(a) On 2 June 2015, the Company announced that it had on 29 May 2015 entered into a sale and purchase agreement (the "Tong Da SPA") to acquire the entire issued and paid-up share capital of Tong Da Medical Device Limited (the "Tong Da Acquisition"). The Company had on 2 November 2015 announced that the parties to the Tong Da Acquisition had mutually agreed to terminate the Tong Da SPA with effect from 31 October 2015.

1(b)(i) A Statement of Financial Position (for the Company), together with a comparative statement as at the end of the immediately preceding financial year.

**Statement of Financial Position**

	Company	
	As at 31/12/2016 Unaudited S\$'000	As at 31/12/2015 Audited S\$'000
<b>Assets</b>		
Plant and equipment	313	439
<b>Non-current asset</b>	<u>313</u>	<u>439</u>
Deposits, prepayments and other assets	9	9
Cash and cash equivalents	36,635	38,896
<b>Current assets</b>	<u>36,644</u>	<u>38,905</u>
<b>Total assets</b>	<u><u>36,957</u></u>	<u><u>39,344</u></u>
<b>Liabilities</b>		
Other payables	470	484
<b>Total and current liabilities</b>	<u>470</u>	<u>484</u>
<b>Shareholders' equity</b>		
Share capital	40,144	40,144
Accumulated losses	(3,657)	(1,284)
<b>Total shareholders' equity</b>	<u>36,487</u>	<u>38,860</u>
<b>Total equity and liabilities</b>	<u><u>36,957</u></u>	<u><u>39,344</u></u>

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

	As at 31/12/2016 Secured S\$'000	As at 31/12/2016 Unsecured S\$'000	As at 31/12/2015 Secured S\$'000	As at 31/12/2015 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	
	FY2016 Unaudited S\$'000	FY2015 Audited S\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(2,373)	(2,678)
Adjustments for:		
Depreciation of plant and equipment	126	125
Interest income	(85)	(92)
Operating cash flows before changes in working capital	<u>(2,332)</u>	<u>(2,645)</u>
<b>Changes in working capital:</b>		
Deposits and prepayments	-	17
Other payables	(14)	72
<b>Cash used in operations</b>	<u>(2,346)</u>	<u>(2,556)</u>
Interest received	85	92
Income tax paid	-	(3)
<b>Net cash used in operating activities</b>	<u>(2,261)</u>	<u>(2,467)</u>
<b>Cash flows from investing activities</b>		
Deposit released as collateral for standby letter of credit	12,500	-
Deposit (withheld in)/released from escrow account	(11,289)	27,493
<b>Net cash from investing activities</b>	<u>1,211</u>	<u>27,493</u>
<b>Cash flows from financing activity</b>		
Dividend paid	-	(27,538)
<b>Net cash used in financing activity</b>	<u>-</u>	<u>(27,538)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,050)	(2,512)
Cash and cash equivalents at beginning of the year	6,995	9,507
Cash and cash equivalents at the end of the year	<u>5,945</u>	<u>6,995</u>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	31,185	32,142
Fixed deposits	5,450	6,754
	<u>36,635</u>	<u>38,896</u>
Less: Deposit withheld as collateral for standby letter of credit	-	(12,500)
Deposit withheld in escrow account	(30,690)	(19,401)
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<u>5,945</u>	<u>6,995</u>

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

**Statement of Changes in Equity**

	Share capital S\$'000	Accumulated profits/(losses) S\$'000	Total S\$'000
<b><u>Company</u></b>			
<b><u>(Audited)</u></b>			
As at 1 January 2015	40,144	28,935	69,079
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(2,681)	(2,681)
<b>Total comprehensive income for the year</b>	-	<b>(2,681)</b>	<b>(2,681)</b>
Dividend for year FY2014	-	(27,538)	(27,538)
<b>Total transactions with owners</b>	-	<b>(27,538)</b>	<b>(27,538)</b>
<b>As at 31 December 2015</b>	<b>40,144</b>	<b>(1,284)</b>	<b>38,860</b>
<b><u>(Unaudited)</u></b>			
As at 1 January 2016	40,144	(1,284)	38,860
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(2,373)	(2,373)
<b>Total comprehensive income for the year</b>	-	<b>(2,373)</b>	<b>(2,373)</b>
<b>As at 31 December 2016</b>	<b>40,144</b>	<b>(3,657)</b>	<b>36,487</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous 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, 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.

Share Capital

There was no change in the issued and paid-up share capital of the Company from 1 July 2016 to 31 December 2016 (S\$40,143,640, comprising 305,982,583 issued shares).

Convertible Securities and/or Treasury Shares

The Company did not have any outstanding options, convertibles or any treasury shares as at 31 December 2016 and 31 December 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	
	31/12/2016	31/12/2015
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 did not have any treasury shares during and as at the end of the 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 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 unaudited financial statements for FY2016 as those in its audited financial statements for FY2015.

**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	
	FY2016 Unaudited	FY2015 Audited
Earnings per share for the period based on net loss attributable to shareholders:-		
(a) Basic earnings per share (Singapore cents)	(0.78)	(0.88)
- Weighted average number of shares	305,982,583	305,982,583
(b) Diluted earnings per share (Singapore cents) <sup>(1)</sup>	(0.78)	(0.88)
- Weighted average number of shares	305,982,583	305,982,583

Note:

- (1) The basic earnings per share and the diluted earnings per share are the same as the Company has no potentially dilutive ordinary shares as at the end of the respective financial periods.

**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 period reported on; and**  
**(b) immediately preceding financial year.**

	Company	
	As at 31/12/2016 Unaudited (Singapore cents)	As at 31/12/2015 Audited (Singapore cents)
Net asset value per share based on the issued share capital (excluding treasury shares) as at the end of the respective year	11.92	12.70

The net asset value per share has been computed based on the total issued share capital of 305,982,583 shares as at 31 December 2016 and 31 December 2015.

**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 period reported on.**

**Statement of Comprehensive Income**

The Company recorded finance income of S\$0.085 million and S\$0.092 million in FY2016 and FY2015 respectively which related to interest income from bank deposits.

The Company incurred other operating expenses of S\$2.323 million in FY2016, a decrease of 12% as compared to S\$2.636 million in FY2015. This was mainly due to the absence of legal and professional fees incurred in relation to the Tong Da Acquisition which was terminated in FY2015 partially offset by the increase of such fees incurred in respect of the Proposed Acquisition.

As a result of the above, the Company reported a net loss of S\$2.373 million in FY2016 compared to a net loss of S\$2.681 million in FY2015.

**Statement of Financial Position**

The assets of the Company as at 31 December 2016 comprised mainly cash and cash equivalents of S\$36.635 million of which S\$30.690 million had been placed in an escrow account. Subsequent to the end of FY2016, S\$29.068 million of the cash placed in the escrow account had been distributed to shareholders in February 2017 (please refer to Section 10 for further details).

Other payables of S\$0.470 million and S\$0.484 million as at 31 December 2016 and 31 December 2015 respectively comprised mainly accruals of statutory costs and Directors' fees.



## Statement of Cash Flows

Net cash used in operating activities in FY2016 of S\$2.261 million was due mainly to payment of fees for the interim CEO and interim CFO as well as professional fees related to the Proposed Acquisition.

Net cash from investing activities in FY2016 was due to the release of S\$12.500 million of deposit which was withheld as collateral for two standby letters of credit in connection with the Disposal, 90% of which was subsequently placed in the escrow account in accordance with the requirements of Rule 1017(1)(a) of the Catalist Rules.

There were no cash generated from or used in financing activities in FY2016.

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 as there has not been any forecast or prospect statement 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.**

The shareholders of the Company had approved the capital reduction and cash distribution of S\$0.095 per ordinary share in the extraordinary general meeting held on 7 December 2016. The Company had on 3 February 2017 completed payment of the cash distribution to shareholders, totaling S\$29,068,345.

The Company is currently conducting due diligence investigations in relation to the Proposed Acquisition. The Board would like to advise Shareholders that, although the SPA has been entered into, completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof.

Further announcements on the Proposed Acquisition will be made as and when there are any material developments regarding the Proposed Acquisition.

### **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.

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

The board of directors (the “**Directors**”) of the Company does not propose to declare any dividend in respect of FY2016.

**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.**

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalyst Rules.

There were no interested person transactions of S\$100,000 and above for FY2016.

**14 Segmented revenue and results for operating segments (of the company) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable as the Company has no operating business after completion of the Disposal.

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.**

Not applicable as the Company has no operating business after completion of the Disposal.

**16 A breakdown of sales**

Description	Company		
	FY2016 S\$'000	FY2015 S\$'000	Change %
Revenue reported for the first half year	-	-	n.a
Loss after tax before minority interests reported for the first half year	(895)	(1,319)	n.m
Revenue reported for the second half year	-	-	n.a
Loss after tax before minority interests reported for the second half year	(1,478)	(1,362)	n.m

n.m: not meaningful

n.a: not applicable

The Company has no operating business after completion of the Disposal.

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

Description	FY2016 S\$'000	FY2015 S\$'000
Ordinary	-	-
Special	-	-
Preference	n.a	n.a
Total	-	-

n.a: not applicable

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Directors confirm that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**19 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**BY ORDER OF THE BOARD**

Teo Yiam Beng  
Interim Chief Financial Officer  
24 February 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the 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 Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*