



JCG INVESTMENT HOLDINGS LTD

Company Registration No. 200505118M

JCG INVESTMENT HOLDINGS LTD (F.K.A CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED)

**FULL YEAR UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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 12 months ended		
	31.12.18 (Unaudited)	31.12.17 (Restated)	Increase/ (Decrease)		31.12.18 (Unaudited)	31.12.17 (Restated)	Increase/ (Decrease)
	S\$'000	S\$'000			S\$'000	S\$'000	
Revenue	219	748	(71%)	1,658	2,167	(23%)	
Cost of Sales	(60)	(376)	(84%)	(808)	(1,221)	(34%)	
Gross Profit	159	372	(57%)	850	946	(10%)	
Gross Profit Margin	73%	50%		51%	44%		
Other income	22	455	(95%)	51	348	(85%)	
Selling and distribution expenses	(52)	(35)	49%	(184)	(170)	8%	
Administrative expenses	(393)	(9,496)	(96%)	(2,044)	(12,576)	(84%)	
Other operating expenses	46	(312)	115%	-	(281)	(100%)	
Finance expenses	(159)	(146)	9%	(647)	(668)	(3%)	
Loss for the financial period before income tax	(377)	(9,162)	(96%)	(1,974)	(12,401)	(84%)	
Income tax expense	(20)	(8)	150%	(19)	(10)	90%	
Net loss	(397)	(9,170)	(96%)	(1,993)	(12,411)	(84%)	
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation (loss)/income	(95)	(27)	252%	(161)	109	(248%)	
Other comprehensive (loss)/income, net of tax	(95)	(27)	252%	(161)	109	(248%)	
Total comprehensive loss	(492)	(9,197)	(95%)	(2,154)	(12,302)	(82%)	
Loss attributable to:							
Equity holders of the Company	(458)	(9,464)	(95%)	(2,040)	(12,308)	(83%)	
Non-controlling interests	61	294	(79%)	47	(103)	146%	
Net loss for the financial period	(397)	(9,170)	(96%)	(1,993)	(12,411)	(84%)	
Loss attributable to:							
Equity holders of the Company	(558)	(9,491)	(94%)	(2,199)	(12,185)	(82%)	
Non-controlling interests	66	294	(78%)	45	(117)	138%	
Total comprehensive loss for the financial period	(492)	(9,197)	(95%)	(2,154)	(12,302)	(82%)	

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3 months ended			12 months ended		
	31.12.18 (Unaudited) S\$'000	31.12.17 (Restated) S\$'000		31.12.18 (Unaudited) S\$'000	31.12.17 (Restated) S\$'000	
Interest expense on borrowings	(117)	15	880%	(477)	(507)	(6%)
Depreciation of property, plant and equipment	(5)	(35)	(86%)	(48)	(141)	(66%)
Shares option adjustment	-	(281)	(100%)	-	(281)	(100%)
Unwinding of imputed interest	(42)	(40)	5%	(170)	(161)	6%
Impairment of other receivables	-	(1,039)	(100%)	-	(1,589)	(100%)
Write off of property, plant and equipment	(5)	(48)	(90%)	(5)	(68)	(93%)
Foreign exchange (loss)/gain	57	(3)	2000%	58	30	93%

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 31.12.18 Unaudited S\$'000	As at 31.12.17 Restated S\$'000	As at 01.01.17 Restated S\$'000	As at 31.12.18 Unaudited S\$'000	As at 31.12.17 Restated S\$'000	As at 01.01.17 Restated S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	1,613	3,847	2,525	347	2,919	1,404
Trade and other receivables	620	550	1,570	46	92	893
Inventories	-	44	64	-	-	-
Total current assets	2,233	4,441	4,159	393	3,011	2,297
Non-current assets						
Investment in subsidiary corporations	-	-	-	352	352	7,302
Property, plant and equipment	31	76	274	4	9	27
Intangible assets	-	-	7,296	-	-	-
Total non-current assets	31	76	7,570	356	361	7,329
Total assets	2,264	4,517	11,729	749	3,372	9,626
LIABILITIES AND EQUITY						
Current liabilities						
Trade and other payables	4,054	1,123	1,348	4,245	975	864
Borrowings	3,493	3,421	3,730	-	298	-
Income tax payable	40	25	-	-	3	-
Total current liabilities	7,587	4,569	5,078	4,245	1,276	864
Non-current liabilities						
Trade and other payables	-	3,178	3,017	-	3,178	3,017
Borrowings	-	-	1,000	-	-	1,000
Deferred income tax liabilities	-	-	18	-	-	-
Total non-current liabilities	-	3,178	4,035	-	3,178	4,017
Total liabilities	7,587	7,747	9,113	4,245	4,454	4,881
Net assets/ (liabilities)	(5,323)	(3,230)	2,616	(3,496)	(1,082)	4,745
Capital and reserves attributable to equity holders of the Company						
Share capital	53,871	53,645	50,000	53,871	53,645	50,000
Other reserves	4,816	5,140	2,479	4,826	4,991	2,453
Accumulated losses	(64,147)	(62,107)	(49,799)	(62,193)	(59,718)	(47,708)
Share capital and reserves	(5,460)	(3,322)	2,680	(3,496)	(1,082)	4,745
Non-controlling interests	137	92	(64)	-	-	-
Total equity	(5,323)	(3,230)	2,616	(3,496)	(1,082)	4,745

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

	As at 31.12.2018 Unaudited		As at 31.12.2017 Audited	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(i) Loan facilities ^(a)	3,493	-	3,421	-

Details of any collateral

- (a) Approximately S\$3.493 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 has been fully settled in January 2019 through a S\$4.0million proceeds raised from a share subscription, as announced on 26 August 2018 and approved by shareholders on 31 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		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	Unaudited S\$'000	Restated S\$'000	Unaudited S\$'000	Restated S\$'000
Net loss	(397)	(9,170)	(1,993)	(12,411)
Cash flows from operating activities				
Adjustment for:				
Income tax expense	20	8	19	10
Depreciation of property, plant and equipment	5	35	48	141
Write off of property, plant and equipment	5	48	5	68
Allowance for impairment of goodwill	-	7,192	-	7,192
Allowance for impairment of customer relationships	-	104	-	104
Share options adjustment	-	281	-	281
Loss on deconsolidation of subsidiary corporations	-	-	-	247
Unwinding of imputed interest	42	161	170	161
Unrealised currency translation gain	(97)	(204)	(90)	(204)
Interest income	-	(5)	(9)	(6)
Interest expense	117	(15)	477	507
Operating cash flows before movements in working capital	(305)	(1,565)	(1,373)	(3,910)
Trade and other receivables	(208)	834	(70)	1,018
Inventories	47	(17)	44	20
Trade and other payables	(42)	41	(416)	(202)
Cash used in operations	(508)	(707)	(1,815)	(3,074)
Income tax paid	-	-	(4)	(3)
Interest income	-	5	9	6
Interest expense	(117)	15	(477)	-
Net cash used in operating activities	(625)	(687)	(2,287)	(3,071)
Cash flow used in investing activities				
Purchase of property, plant and equipment	(1)	(8)	(8)	(9)
Deconsolidation of subsidiary corporations, net of cash deconsolidation	-	-	-	(1)
Net cash used in investing activities	(1)	(8)	(8)	(10)

	Group			
	3 months ended		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	Unaudited	Restated	Unaudited	Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Bank deposit discharged	-	-	-	497
Redemption of warrants	-	(640)	-	(1,140)
Proceeds from issuance of new shares	-	-	-	1,441
Proceeds from right issue	-	5,601	-	5,601
Proceeds from conversion of warrants	-	-	61	-
Repayment of borrowings	-	(2,000)	-	(1,000)
Interest paid	-	-	-	(507)
Net cash generated from financing activities	-	2,961	61	4,892
Net (decrease)/ increase in cash and cash equivalents	(626)	2,266	(2,234)	1,811
Cash and cash equivalents at the beginning of the financial period	2,240	1,081	3,847	1,525
Effect of currency translation on cash and cash equivalents	(1)	(3)	-	8
End of the financial period	1,613	3,344	1,613	3,344

Represented by:

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	Unaudited	Restated	Unaudited	Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	1,613	3,847	1,613	3,847
Less: bank deposits pledged	-	(503)	-	(503)
Cash and cash equivalents per consolidated statement cash flows	1,613	3,344	1,613	3,344

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 S\$'000	Currency translation reserves S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Warrant reserve S\$'000	Attributable to equity holders of company S\$'000	Non-controlling interest S\$'000	Total S\$'000
Balance as at 1.1.2017	50,000	26	(49,799)	1,038	1,415	2,680	(64)	2,616
Redemption of warrants	-	-	-	-	(1,140)	(1,140)	-	(1,140)
Expiry of warrants	110	-	-	-	(110)	-	-	-
Issuance of new shares	1,441	-	-	-	-	1,441	-	1,441
Right Issue	5,601	-	-	-	-	5,601	-	5,601
Other comprehensive loss	-	123	-	-	-	123	(14)	109
Total comprehensive loss for the period	-	-	(12,027)	-	-	(12,027)	(103)	(12,130)
Deconsolidation of a subsidiary corporation	-	-	-	-	-	-	273	273
Balance as at 31.12.2017	57,152	149	(61,826)	1,038	165	(3,322)	92	(3,230)
<u>Prior year adjustments</u>								
Rights cum warrants adjustment	(3,507)	-	-	-	3,507	-	-	-
Share options adjustment	-	-	(281)	281	-	-	-	-
Balance as at 31.12.2017 (Restated)	53,645	149	(62,107)	1,319	3,672	(3,322)	92	(3,230)
(Unaudited)								
Balance as at 1.1.2018 (Restated)	53,645	149	(62,107)	1,319	3,672	(3,322)	92	(3,230)
Conversion of warrants	75	-	-	-	(14)	61	-	61
Expiry of warrants	151	-	-	-	(151)	-	-	-
Total comprehensive loss for the period	-	-	(2,040)	-	-	(2,040)	47	(1,993)
Other comprehensive loss	-	(159)	-	-	-	(159)	(2)	(161)
Balance as at 31.12.2018	53,871	(10)	(64,147)	1,319	3,507	(5,460)	137	(5,323)

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
Balance as at 01.01.2017	50,000	(47,708)	1,038	1,415	4,745
Redemption of warrants	-	-	-	(1,140)	(1,140)
Rights Issue	5,601	-	-	-	5,601
Expiry of warrants	110	-	-	(110)	-
Issuance of shares	1,441	-	-	-	1,441
Total comprehensive loss for the period	-	(11,729)	-	-	(11,729)
Balance as at 31.12.2017	57,152	(59,437)	1,038	165	(1,082)
<u>Prior year adjustments</u>					
Share options adjustment	-	(281)	281	-	-
Rights cum warrants adjustment	(3,507)	-	-	3,507	-
Balance as at 31.12.2017 (Restated)	53,645	(59,718)	1,319	3,672	(1,082)
(Unaudited)					
Balance as at 01.01.2018 (Restated)	53,645	(59,718)	1,319	3,672	(1,082)
Conversion of warrants	75	-	-	(14)	61
Expiry of warrants	151	-	-	(151)	-
Total comprehensive loss for the period	-	(2,475)	-	-	(2,475)
Balance as at 31.12.2018	53,871	(62,193)	1,319	3,507	(3,496)

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 31 December 2018 (“4Q2018”). As at 31 December 2018, the issued and paid up capital of the Company is approximately S\$53,871,000 comprising 8,812,778,946 shares.

No warrants pursuant to the 2017 Rights cum Warrants Issue were exercised during 4Q2018. As at 31 December 2018, there were 5,601,440,009 freely detachable warrants (“2017 Warrants”) which is exercisable into 5,601,440,009 ordinary shares of the Company (31 December 2017: 5,601,440,009).

In 4Q2018, no employee share options pursuant to the Albedo Limited Employee Share Option Scheme were exercised. As at 31 December 2018, the Company had 258,182,000 outstanding employee share options exercisable into 258,182,000 new ordinary shares of the Company (31 December 2017: 262,343,000).

Save as disclosed above, the Company did not have any other convertibles as at 31 December 2018 and 31 December 2017.

There were no treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 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
	31.12.2018	31.12.2017
Total number of issued shares excluding treasury shares	8,812,778,946	8,800,573,324

There were no treasury shares during and as at end of the financial year ended 31 December 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 have 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 ("FY2017").

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 International Financial Reporting Standards ("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		12 months ended	
	31.12.2018 (Unaudited)	31.12.2017 (Restated)	31.12.2018 (Unaudited)	31.12.2017 (Restated)
Basic (Singapore cents) ⁽¹⁾	(0.005)	(0.230)	(0.023)	(0.299)
Diluted (Singapore cents) ⁽²⁾	(0.005)	(0.230)	(0.023)	(0.299)

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\$458,000 for 3 months financial period ended 31 December 2018 (31 December 2017: S\$9,464,000) and loss attributable to equity holders of the Company of approximately S\$2,040,000 for 12 months financial period ended 31 December 2018 (31 December 2017: S\$12,308,000) divided by the weighted average number of shares of 8,809,901,374 shares as at 31 December 2018 (31 December 2017: 4,114,450,358 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

	<u>Group</u>		<u>Company</u>	
	31.12.18 Unaudited	31.12.17 Restated	31.12.18 Unaudited	31.12.17 Restated
Net liabilities (S\$'000)	5,323	3,230	3,496	1,082
Number of ordinary shares in issue ('000)	8,812,779	8,800,573	8,812,779	8,800,573
Net liabilities value per ordinary share (Singapore cents)	(0.06)	(0.04)	(0.04)	(0.01)

- 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

	4Q2018	4Q2017	Variance		FY2018	FY2017	Variance	
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
Trading & distribution	195	476	(281)	(59%)	1,331	1,642	(311)	(19%)
Medical Aesthetics	24	272	(248)	(91%)	327	525	(198)	(38%)
Total	219	748	(529)	(71%)	1,658	2,167	(509)	(23%)

The Group's revenue from its trading and distribution business for FY2018 was S\$1.331 million, a decrease of 19% or S\$0.311 million as compared to the revenue of S\$1.642 million for FY2017.

Trading & distribution segment recorded revenue of S\$1.331 million in FY2018 (FY2017:S\$1.642 million). This was due to weakening market demand, reduction in steel production in Asia region and increasing competition.

Medical aesthetic segment recorded revenue of S\$0.327 million in FY2018 (FY2017: S\$0.525 million). This was partially due to medical aesthetics business being badly affected by poor market demand from China and weak market condition in Taiwan, resulting in a lower number of treatments performed in FY2018.

ii) Cost of sales

The decrease in cost of sales is in line with the decrease in revenue in trading & distribution as well as medical aesthetic businesses.

iii) Gross profit

As a result of the abovementioned, the Group's gross profit of FY2018 from operations decreased by S\$0.096 million or 10% from S\$0.946 million in FY2017 to S\$0.850 million in the FY2018.

iv) Other income

Other income decreased by approximately S\$0.297 million or 85% reduction from S\$0.348 million in FY2017 to S\$0.051 million in FY2018 mainly due to deconsolidation gain of two dormant subsidiary corporations incorporated in People Republic of China ("PRC") for which the company has taken steps to deregister in FY2017.

v) Administrative expenses

Administrative expenses decreased by S\$10.532 million or 84% reduction from S\$12.576 million in FY2017 to S\$2.044 million in FY2018. The decrease was mainly due to the absence of allowance for impairment of goodwill of S\$7.192 million and the absence of impairment of other receivables of S\$1.589 million that were made in FY2017.

vi) Other operating expenses

Other operating expenses decreased by S\$0.281 million or 100% reduction from S\$0.281 million in FY2017 to S\$Nil million in FY2018 due to share options adjustment in FY2017.

vii) Finance expenses

During the financial year under review, finance expenses decreased by S\$0.021 million or 3% decrease due to decrease in loan interest for loan from a director. The loan has been fully settled in FY2017. The decrease is partially offset by increase in interest payment for a subsidiary's HK\$20 million loan denominated in Hong Kong dollar resulting from the weakening of Singapore dollar against Hong Kong dollar.

viii) Depreciation of property, plant and equipment

During the financial period under review, the depreciation of property, plant and equipment decreased by S\$0.093 million or 66% due to write off of property, plant and equipment in FY2017 and lesser addition of property, plant and equipment in FY2018.

Review of the Financial Position of the Group

ix) Assets

Total assets of the Group decreased by S\$2.253 million from S\$4.517 million as at 31 December 2017 to S\$2.264 million as at 31 December 2018. This was mainly attributable to a decrease in cash and cash equivalents of approximately S\$2.234 million due to cash used in operating activities as explained under paragraph xii below.

The decrease in total assets was also affected by decrease in inventories and property, plant and equipment of approximately S\$0.044 million and S\$0.045 million respectively. The decrease in property, plant and equipment was mainly due to depreciation of property, plant and equipment of S\$0.048 million. The decrease in total assets was slightly offset by an increase in trade and other receivables of S\$0.070 million.

x) Liabilities

Current liabilities increased by S\$3.018 million from S\$4.569 million as at 31 December 2017 to S\$7.587 million as at 31 December 2018 due to reclassification of the deferred payment liability amounting to S\$3.178 million due on 6 November 2019, being the balance of consideration owing by the Company for the acquisition of 51% of China iMyth Company Pte Ltd, from non-current trade and other payables to current trade and other payables, accretion of interest amounting to S\$0.170 million and a retranslation loss of S\$0.072 million on the Group's HK\$20 million loan and increase in income tax payable of S\$0.015 million. However, it was offset by a decrease in trade and other payables of S\$0.417 million as a result of repayment and lower purchases made in its steel trading business.

The decrease in non-current liabilities of S\$3.178 million from S\$3.178 million as at 31 December 2017 to S\$nil as at 31 December 2018 was due to reclassification of the deferred liability payment from non-current trade and other payables to current trade and other payables as aforementioned.

xi) Negative working capital

As at 31 December 2018, the Group was in negative working capital of S\$5.354 million and net liabilities of S\$5.323 million and as at that date, the Company has net liabilities of S\$3.496 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 following:

- (a) On 31 December 2018, the proposed corporate exercise has been approved by the Shareholders as follows:
- (i) Consolidation of every 2 existing ordinary shares in the capital of the Company into 1 consolidated share;
 - (ii) Allotment and issuance of up to 3,214,285,714 consolidated shares pursuant to the conversion of the deferred payment liability of S\$3.5 million; and
 - (iii) Placement of 2,857,142,857 consolidated shares in the capital of the company at an issue price of S\$0.0014 for each share ("Share Subscription"), with up to 952,380,952 investment warrants, each carrying the right to subscribe for 1 consolidated share in the capital of the company at an exercise price of S\$0.0014 for each new consolidated share.

Following the completion of the corporate exercises, the Group has utilized S\$3.516 million out of the S\$4.0 million Share Subscription proceeds to settle the HK\$20 million loan in January 2019. In addition, the deferred payment liability of S\$3.5 million has been converted into shares upon completion of the corporate exercises. Upon repayment of the loan and the conversion of the deferred payment liability, the Group has eliminated its debts and has a positive working capital.

Review of the Cash Flow Statement of the Group

xii) Cash flow

Net cash used in operating activities in FY2018 amounted to S\$2.287 million. The operating cash outflows before movement in working capital was S\$1.373 million in FY2018. The net cash outflow from changes in working capital of approximately S\$0.442 million was mainly due to decrease of S\$0.416 million in trade and other payables and increase of S\$0.070 million of trade and other receivables. In FY2018, S\$0.477 million interest payment was made for the HK\$20 million loan from Concorde Global Limited.

Net cash used in investing activities in FY2018 amounted to S\$0.008 million which comprise purchase of property, plant and equipment.

Net cash generated from financing activities in FY2018 amounted to S\$0.061 million, arising from proceeds from conversion of warrants.

Cash and cash equivalents were S\$1.613 million as at 31 December 2018 as compared to S\$3.344 million as at 31 December 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 Directors and the management of the Company are currently undertaking a strategic review of the Group's business. Presently, the Board's strategy for the Group's two key businesses are as follows:

- Medical Aesthetics Business
To minimise cash flow and costs, the Taiwan business will be focusing more on client acquisition efforts in both Taiwan and PRC instead of performing treatments.
- Steel Trading Business
The Group's franchise agreement with its principal steel trading distributor, Heraeus Electro-Nite International N.V. ("Heraeus") had ended on 14 December 2018. Nevertheless, Heraeus had entered into another agreement with Albedo Corporation Pte. Ltd. ("Albedo"), a wholly-owned subsidiary of the Company, on 27 November 2018 to appoint Albedo to distribute the products of Heraeus in Myanmar.

In addition, on 27 November 2018, Albedo had entered into a representative agreement with JC Resources Co., Ltd ("JC Resources"), pursuant to which Albedo shall act as the representative of JC Resources to distribute the products of JC Resources in Singapore, Myanmar and New Zealand.

The Group is currently inclined to retain and expand the steel trading business and management will continue to explore options with other principals for the steel trading business.

In addition, the Company is in talks with a potential vendor to purchase an event organization and promotion as well as business and management consultancy services agency. The Company will make the necessary announcement as and when there are material developments.

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 and the reason(s) for the decision.

No dividend has been declared or recommended as the Group is in loss making position for financial year ended 31 December 2018.

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

By Business Segment

31-Dec-18 (Unaudited)	Trading and Distribution S\$'000	Aesthetics Medical S\$'000	Others S\$'000	Consolidated S\$'000
Revenue	1,331	327	-	1,658
Gross profit	558	292	-	850
Other income	6	33	12	51
Administrative expenses	(164)	(189)	(1,691)	(2,044)
Selling and distribution expenses	(184)	-	-	(184)
Finance costs	-	-	(647)	(647)
Profit/ (Loss) before taxation	216	136	(2,326)	(1,974)
Taxation	(14)	(5)	-	(19)
Profit/ (Loss) for the year	202	131	(2,326)	(1,993)
Attributable to:				
Equity holders of the Company				(2,040)
Non-controlling interest				47
				(1,993)
<u>Other information</u>				
Depreciation of property, plant and equipment	1	38	9	48
<u>Assets and liabilities</u>				
Segment assets	1,344	485	435	2,264
Consolidated total assets				2,264
Segment liabilities	82	172	7,333	7,587
Consolidated total liabilities				7,587

Trading and distribution: Trading and distribution of steel raw materials, consumables, instruments and semi-finished products for steel mills, iron and steel foundries and aluminium smelters in the Asia-Pacific region and provision of ancillary services.

Aesthetic medical: Provision of aesthetic medical services includes the provision of aesthetic medical, beauty and wellness services in Asia.

Investment and others: Business of investment holding, provision of management services and provision of marketing, distribution and related services.

By Business Segment

	Trading and Distribution	Aesthetics Medical	Others	Consolidated
31-Dec-17 (Restated)	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	1,642	525	-	2,167
Gross profit	641	305	-	946
Other income	2	245	101	348
Administrative expenses	(108)	(921)	(11,547)	(12,576)
Other operating expenses	-	-	(281)	(281)
Selling and distribution expenses	(153)	(6)	(11)	(170)
Finance costs	-	-	(668)	(668)
Profit/ (Loss) before taxation	382	(377)	(12,406)	(12,401)
Taxation	(22)	-	12	(10)
Profit/ (Loss) for the year	360	(377)	(12,394)	(12,411)
Attributable to:				
Equity holders of the Company				(12,308)
Non-controlling interest				(103)
				(12,411)
<u>Other information</u>				
Depreciation of property, plant and equipment	4	117	20	141
<u>Assets and liabilities</u>				
Segment assets	1,108	199	3,210	4,517
Consolidated total assets				4,517
Segment liabilities	337	234	7,176	7,747
Consolidated total liabilities				7,747

Geographical information

The Group's three major business segments operate in three main geographical areas:

Singapore – the Company is headquartered and has operations in Singapore. The operation in these areas are principally investment holding and trading and distribution of steel mill consumable products;

Malaysia – the operation in this area are principally trading and distribution of steel mill consumable products;

Republic of China, Taiwan and People's Republic of China – the operations in these areas are principally the provision of aesthetic medical services.

	<u>Group</u>	
	31.12.18 S\$'000	31.12.17 S\$'000
Revenue		
Singapore	307	113
Malaysia	1,024	1,529
Republic of China, Taiwan and People's Republic of China	327	525
	1,658	2,167

14. In the review of performance, the factors leading to any material changes in contributions to turn over and earnings by the operating segments.

The Group's current year performance was affected by poor market demand from China and weak market condition in Taiwan, resulting in a lower number of treatments performed in FY2018.

The Group's trading and distribution division's business for the supply of steel related raw materials, products and equipment to steel mills in Asia- Pacific region remain weak.

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

For further review of performance of the Group, please refer to paragraph 8.

15. A breakdown of sales as follows: -

	Group		Increase/ (Decrease) %
	31.12.18 (Unaudited) S\$'000	31.12.17 (Restated) S\$'000	
(a) Sales reported for the first half year	1,243	1,037	20%
(b) Operating loss after tax before deducting minority interests reported for first half year	(932)	(1,888)	(51%)
(c) Sales reported for second half year	415	1,130	(63%)
(d) Operating loss after tax before deducting minority interests reported for second half year	(1,061)	(10,523)	(90%)

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

Not applicable. No dividends have been declared during the financial years ended 31 December 2018 and 31 December 2017.

17. 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 FY2018. The Group does not have a general mandate from shareholders for IPTs.

18. Use of Proceeds

As at 28 February 2019, the net proceeds from 2017 Rights cum Warrants issue and from share subscription in 2019 had been utilised as follows:

	Allocation of net proceeds raised (S\$'000)	Amount Utilised before 17-Oct-18 (S\$'000)	Amount Utilised from 18-Oct-18 to 27-Feb-19 (S\$'000)	Amount Unutilised as at 28-Feb- 2019 (S\$'000)
(A) Proceeds from 2017 Rights cum Warrants issue				
(i) Working Capital	2,801	(2,560)	(241)	-
(ii) Repayment of loans	2,800	(2,640)	-	160
(B) Proceeds from share subscription in 2019				
(i) Working Capital	484	-	-	484
(ii) Repayment of loans	3,516	-	(3,516)	-
Total Amount	9,601	(5,200)	(3,757)	644

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 in its 3Q2017 results announcement dated 10 November 2017 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 from 18 October 2018 to 27 February 2019, S\$241,000 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.
- ii. During the period, there was no fund utilised for the repayment of loans. As the Group does not have any outstanding loan, the balance of S\$160,000 is hereby re-allocated to working capital.

(B) The proceeds from Share Subscription amounts to S\$4.0 million. The Company announced in its circular on 26 August 2018 that 100% of the proceeds shall be used for repayment of the Concorde Loan which had been advanced by Concorde Global Limited to CMIC Hemodialysis (Hong Kong) Limited under the loan agreement entered into between the parties on 20 June 2016 (“Concorde Loan Agreement”) and the accrued

interest under the Concorde Loan Agreement. Any balance will be used for the working capital of the Company.

- (i) During the period, S\$nil from the working capital portion of the proceeds from the share subscription was utilised.
- (ii) During the period, S\$3.516 million was utilised to repay the Concorde loan and the accrued interests.

For the financial year ended 31 December 2018, the proceeds from conversion of warrants arising from 2017 Rights cum Warrants amounted to S\$0.061million which has been fully utilised for working capital purposes.

19. 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.

Not applicable. There is no person occupying a managerial position in the Company and/or its subsidiary corporations who is a relative of a director, chief executive officer or substantial shareholder of the Company and/or its subsidiary corporations as at 31 December 2018 pursuant to Rule 704(10) of the Catalist Rules.

20. 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.

**By Order of the Board
1 March 2019**

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 Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)