



18 April 2018

Ms Belinda Chiu
Senior Adviser, Listings Compliance (Sydney)
ASX Limited

By email: belinda.chiu@asx.com.au

Dear Belinda,

Traditional Therapy Clinics Limited - Response to ASX letter dated 16 April 2018

Traditional Therapy Clinics Limited (**TTC**) refers to the letter from ASX dated 16 April 2018 (**ASX Letter**) and responds as follows:

1. No, the report referred to in D of the ASX Letter (**Report**) is not an accurate characterisation for the following reasons:
 - (a) the Report suggested that funds cannot be transferred outside of China in general, which is inaccurate. Whilst TTC has never tried to repatriate funds for capital investment purpose, there is no difficulty transferring after tax profits out of China attributable to non-Chinese resident shareholders.
 - (b) the Report misleadingly and incorrectly links the alleged difficulties of transferring funds out of China with the fact that TTC did not pay dividends for FY2017. In fact, as explained in TTC's Replacement Annual Report, the Company did not distribute any dividend for FY2017 because it was reviewing its capital requirements, investment and other growth opportunities.

In order to avoid any doubt about TTC's ability to transfer funds out of China, TTC plans to transfer to Australia \$830,000, which is equivalent to the amount of annual dividends historically paid by TTC to non-Chinese resident shareholders.

2. This is not applicable for the reasons stated above.
3. This is not applicable for the reasons stated above.
4. Please find the full copy of the current register of members attached to this letter.
5. This is confirmed.
6. This is confirmed.

TTC confirms that a copy of ASX's letter dated 16 April 2018 has been provide to all of the directors of TTC and that this response has also been approved by them.

TTC consents to ASX disclosing this letter on the Announcements Platform.

For and on behalf of the Board

Mr Geoff Ross
Non-Executive Chairman

Mr Nicholas Ong
Company Secretary



16 April 2018

Mr Nicholas Ong

Company Secretary
Traditional Therapy Clinics Limited

C/- Baker McKenzie
Level 46, Tower 1 International Tower Sydney
100 Barangaroo Ave
Barangaroo NSW 2000

Traditional Therapy Clinics Limited (“TTC”)

We refer to the following;

- A. ASX’s email dated 1 September 2017 requesting TTC to respond to queries relating to the repatriation of money from China to pay dividends and auditors.
- B. The announcement lodged by TTC with ASX Limited (“ASX”) on 6 September 2017 titled “Response to ASX General Query” stating “TTC has never not been granted approval to repatriate funds for the purposes of dividends, however the timeframe for receiving approval can vary”.
- C. TTC’s announcement dated 12 April 2018 titled “Replacement Annual Report to Shareholders” which stated (among other things):-

“Dividends

The Company is currently reviewing its capital requirements, investments and other growth opportunities. At this point in time, no dividend has been declared for the year ended 31 December 2017”.

- D. An article in the Australian Financial Review Weekend, which claims “Chairman Ross confirmed to AFR Weekend the company was having difficulty getting capital out of China and was unable to pay a dividend for 2017”.

Having regard to the above, we ask that you answer each of the following questions and provide the following information pursuant to listing rule 18.7.

- 1. Is the report in D an accurate characterisation of TTC’s circumstances, and if not, why not?
- 2. If D above accurately characterises TTC’s circumstances, please explain the basis on which the statement was made to ASX on 6 September 2017.
- 3. If TTC is experiencing difficulties getting capital out of China, please provide further particulars about the difficulties and a description of the approval process, including whether or not TTC has made an application to the Chinese regulatory authorities to pay a dividend to its shareholders for the FY2017.
- 4. Please provide a full copy of the current register of TTC members showing the name and address of each holder and the number of securities held (not for release to the market).
- 5. Please confirm that TTC is in compliance with the listing rules and, in particular, listing rule 3.1.

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6. Please confirm that TTC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officers of TTC with delegated authority from the board to respond to ASX on disclosure matters.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Wednesday, 18 April 2018.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Further enquiries

If you have any further enquiries in relation to this letter, please do not hesitate to contact me.

Kind regards

[Sent electronically without signature]

Belinda Chiu

Senior Adviser, Listings Compliance (Sydney)

T 02 9220 0000

E belinda.chiu@asx.com.au