



ASX Announcement

15 June 2018

Progress of Funds Transfer

On 18 April 2018 in response the ASX query dated 16 April 2018, Traditional Therapy Clinics Limited (ASX: TTC) (**TTC** or the **Company**) advised that it “plans to transfer to Australia \$830,000.”

The Board advises that given a dividend is not declared by the Company, it is therefore not seeking to transfer funds out of China subsidiary as dividend payment. The Company has stated in its Annual Report 2018 and at the AGM that a dividend will not be declared in 2018. Instead it will be retaining the capital to be applied to a number of growth initiatives.

The Company advises that one plan for the use of funds to be transferred out of China relates to a growth opportunity being explored which is the sale of health supplements through the Company's owned clinics. The Company has entered into discussion with a contract manufacturer of health supplement products based in Australia regarding the possibility of purchasing a selection of products for promotion by TTC in China. In the event the products are sort after by its clients, TTC will consider sourcing further products from this or other relevant health supplements companies. Therefore, it is intended that the funds to be transferred from China will be utilised for the purchase of these products.

The Company is engaging with the Australian manufacturer and, if successfully finalised, the purchase contracts will be drafted and executed. These purchase contracts will be required by the Company's bank to facilitate the funds transfer and will form part of the application to State Administration of Foreign Exchange for approval of the funds transfer.

The Company will inform shareholders when a conclusion is reached with this possible transaction and the related transfer of funds.

For further information please contact:

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Traditional Therapy Clinics Limited is a franchisor and the owner of one of the largest chains (by number of clinics) of traditional therapeutic health and wellness clinics in China. It currently has 353 franchised clinics, 38 owned clinics and 5 greenfield clinics in operation. It is a well established business with a strong growth profile, employing a repeatable and scalable business model. TTC has a highly recognised and respected brand, having received the prestigious Chinese Well-Known Trademark designation from the State Administration for Industry and Commerce. It operates within a strongly regulated industry sector of significant scale, which offers opportunity for further growth.

TTC is an ASX listed company employing around 1,000 staff across 27 of the 33 administrative divisions in China. More information is available at www.ttc-ltd.com