Traditional Therapy Clinics Limited
ABN 68 603 792 712

ASX Announcement

8 September 2015

Interim Financial Report for the Half-Year Ended 30 June 2015 and Interim Dividend of 1.7 cents per share (AUD)

Traditional Therapy Clinics Limited (ASX: **TTC**), is pleased to:

- provide an update to shareholders and the market on the results achieved by the TTC Group for the first half of the 2015 financial year to 30 June 2015 (**reporting period**). The TTC Group's financial year runs from January to December each year; and

- advise that the Board has declared an interim dividend for shareholders, details of which are:

Interim dividend for the half year ending 30 June 2015:	1.7 cents per share (AUD)
Franking status:	Unfranked
Record Date:	1 October 2015
Payment Date:	30 October 2015

Andrew Sneddon, Chairman said, "The strong result is a testament to the management team's capabilities and determination. They remained focussed and committed to the business while at the same time contributing significantly to the IPO process, which resulted in the IPO raising its targeted amount of AUD$15 million and being over-subscribed. The Board is pleased to share this strong result with shareholders and has declared an interim dividend of 1.7 cents per share, unfranked, with a record date of 1 October 2015."

The TTC Group's interim financial statements for the reporting period are set out in the ***attachment***. The highlights are:

Revenue increased by 45.8% to A$20.3 million in the reporting period (HY2014: A$13.9). This strong growth was driven by:

- revenue from franchised clinics which increased by A$2.52 million primarily due to the granting of 19 new franchises in the reporting period and the full period impact of 62 new franchise clinics established in the 2014 financial year;

- revenue from owned clinics which increased to A$10.83 million in the reporting period (HY2014: A$6.98 million) primarily due to the following factors:
    - the full reporting period impact of 2 new owned clinics acquired in the last quarter of the 2014 financial year. This contributed an additional A$2.2 million in revenue during the reporting period;
    - the organic growth of 9 existing owned clinics, contributing an additional A$0.5 million in revenue during the reporting period; and
    - the average RMB: A$ exchange rate dropped to 4.79 in the reporting period (HY2014: 5.62), contributing an additional A$1.2 million in revenue during the reporting period.

EBITDA increased to A$12.24 million in the reporting period (before IPO costs) (HY2014: A$8.9 million) primarily as a result of strong growth in revenue and increased gross profit.

Gross profit increased by 46.9% to A$13.5 million (HY2014: A$9.2 million), mainly as a result of increased revenue reflecting the matters discussed above.

Cash at 30 June 2015 increased to A$17.8 million (HY2014: A$10.4 million).

" We are very pleased with this solid result and we look forward to progressing our growth plans and focusing on increasing value for shareholders. On behalf of the Board I wish to thank all of our shareholders for their support", said Mr Sneddon.

-ENDS-

Traditional Therapy Clinics Limited
Level 27, AMP Tower, 50 Bridge Street
Sydney NSW Australia 2000
ACN 603 792 712

John Wu (CFO)
Phone: +61 405 223 877
Email: john.wu@ttc-ltd.com

Lisa Dalton (Co Sec):
Phone: +61 438 175 905
Email: lisa.dalton@mac.com

Traditional Therapy Clinics Limited
ABN 68 603 792 712

ASX Announcement

For further information, please contact:

Traditional Therapy Clinics Limited

Mr John Wu
Chief Financial Officer
Mobile: Phone: +61 405 223 877
Email: john.wu@ttc-ltd.com

Ms Lisa Dalton
Company Secretary
Mobile: +61 438 175 905
Email: lisa.dalton@mac.com

About the TTC Group

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 305 franchise licences granted and 11 owned 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 more than 730 staff across 26 administrative divisions in China. More information is available at **www.ttc-ltd.com**

Traditional Therapy Clinics Limited

ABN 68 603 792 712

INTERIM FINANCIAL REPORT
for the half-year ended 30 June 2015

Traditional Therapy Clinics Limited
Level 27, AMP Centre, 50 Bridge Street
Sydney NSW Australia 2000
ABN 68 603 792 712

John Wu (CFO)
Phone: +61 405 223 877
Email: john.wu@ttc-ltd.com

Lisa Dalton (Co Sec):
Phone: +61 438 175 905
Email: lisa.dalton@mac.com

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Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Traditional Therapy Clinics Limited (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2015 ('reporting period').

Directors

The Directors at any time during the reporting period and up to the date of this report are:

Andrew Sneddon (appointed 24 February 2015)	Chairman Independent, Non-executive Director Member Audit and Risk Committee Member Nomination and Remuneration Committee
Zhirong Hu (appointed 24 February 2015)	Managing Director
Sanzheng Zhang (appointed 24 February 2015)	Executive Director Chief Executive Officer
Jeffrey Fisher (appointed 24 February 2015)	Independent, Non-executive Director Chairman, Nomination and Remuneration Committee Member Audit and Risk Committee
Glen Lees (appointed 24 February 2015)	Independent, Non-executive Director Chairman, Audit and Risk Committee Member Nomination and Remuneration Committee

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of providing healthcare services.

Review of operations

The table below sets out the selected key performance indicators for the half year's ending 30 June 2015 ("HY2015") and 30 June 2014 ("HY2014"):

A$'000	HY2015	HY2014	Change
Revenue			
Revenue from Franchise Clinics	9,420	6,905	36.4%
Revenue from Owned Clinics	10,832	6,982	55.1%
Total Revenue	**20,252**	**13,887**	**45.8%**
Cost of revenue	6,653	4,630	43.7%
Gross profit	**13,599**	**9,257**	**46.9%**
Selling and distribution expenses	298	40	644.7%
General and administrative expenses	1,585	765	107.2%
IPO Cost	834	-	
Other expense	-	3	-100.0%
Finance costs	26	5	450.9%
Finance income	31	35	-11.3%
Profit before income tax	**10,887**	**8,479**	**28.4%**
Depreciation &amortisation	524	434	20.8%
Finance costs	26	5	450.9%
Finance income	31	35	-11.3%
EBITDA	**11,406**	**8,883**	**28.4%**
IPO costs	834	-	
EBITDA (before IPO costs)	**12,240**	**8,883**	**37.8%**

(A) Revenue

HY2015 recorded a 45.8% increase in revenue from A$13.9 million in HY2014 to A$20.3 million in FY2015. This strong growth was driven by:

- Revenue from Franchise Clinics increased by A$2.52 million primarily due to the granting of 19 new Franchise Agreements in HY2015 and the full period impact of 62 new Franchise Clinics in FY2014.
- An increase in Owned Clinics revenue from A$6.98 million in HY2014 to A$10.83 million in HY2015 primarily due to the following factors:
  - The full period impact of 2 new Owned Clinics acquired in the last quarter of FY2014. This contributed an additional A$2.2 million in revenue during HY2015;
  - The organic growth of 9 existing Owned Clinics. This contributed an additional A$0.5 million in revenue during HY2015; and
  - Average RMB: A$ exchange rate dropped from 5.62 in HY2014 to 4.79 in HY2015. This contributed an additional A$1.2 million in revenue during HY2015.

(B) Gross Profit

Gross profit increased by A$4.3 million in HY2015 (an increase of 46.9%) mainly as a result of increased revenue reflecting the matters discussed above.

(C) Operating Costs

In HY2015, IPO costs of A$0.83 million were incurred. Excluding the impact of this amount, Operating Costs including Selling and Distribution Expenses, General and Administrative Expenses and Other Expenses in HY2015 increased by A$1.08 million mainly due to the new Australia head office cost of A$0.44 million, extra owned clinics' promotional costs of A$0.24 million, non-executive director's & CFO consulting fees of A$0.12 million, and the expense of options and performance rights issued upon the company being admitted to ASX of A$0.1 million. In addition, RMB: A$ exchange rate dropped from 5.62 in HY2014 to 4.79 in HY2015 which increased the expense by A$0.15 million.

(D) EBITDA

Excluding the impact of one off costs associated with the IPO of A$0.83 million, EBITDA (before IPO costs) increased from A$8.9 million in HY2014 to A$12.24 million in HY2015 primarily as a result of strong growth of Revenue and increased Gross Profit, reflecting the matters discussed above.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors

Zhirong Hu
Managing Director

31 August 2015
People's Republic of China

Andrew Sneddon
Chairman

31 August 2015
Australia

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF TRADITIONAL THERAPY CLINICS LIMITED

As lead auditor for the review of Traditional Therapy Clinics Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Traditional Therapy Clinics Limited and the entities it controlled during the period.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2015

General information

The financial statements cover Traditional Therapy Clinics Limited as a consolidated entity consisting of Traditional Therapy Clinics Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2015. The financial statements are presented in Australian dollars, which is Traditional Therapy Clinics Limited's presentation currency.

Traditional Therapy Clinics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 27
AMP Centre
50 Bridge Street
Sydney NSW 2000

Principal place of business

Block A 4F,
Da Gong Guan WuhuanBuilding
Jiulongpo District
Chongqing
People's Republic of China

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2015.

	Notes	Consolidated 30.06.2015 $'000	Consolidated 30.06.2014 $'000
Revenue	3	20,252	13,887
Cost of revenue		(6,653)	(4,630)
Gross profit		**13,599**	**9,257**
Selling and distribution expenses	4	(298)	(40)
General and administrative expenses	4	(1,585)	(765)
Other expenses		-	(3)
IPO costs	4	(834)	-
Finance costs	4	(26)	(5)
Finance income		31	35
Profit before income tax		**10,887**	**8,479**
Income tax expense		(3,242)	(2,409)
Profit after income tax expense		**7,645**	**6,070**
Other comprehensive income			
Items that maybe reclassified subsequently to profit or loss			
Foreign currency translation		1,559	(843)
Total comprehensive income		**9,204**	**5,227**
Profit for the year is attributable to:			
Non-controlling interest		253	370
Owners of Traditional Therapy Clinics Limited		7,392	5,700
		7,645	**6,070**
Total comprehensive income for the year is attributable to:			
Non-controlling interest		350	337
Owners of Traditional Therapy Clinics Limited		8,854	4,890
		9,204	**5,227**
Earnings per share:			
Basic earnings per share (cents)		**36.7**[1]	**N/A**
Diluted earnings per share (cents)		**36.7**	**N/A**

[1] Earnings per share calculation is based on the weighted average number of shares (190,772,000) issued to existing shareholders of Traditional Therapy Clinics Limited on 12 June 2015.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Notes	**30.06.2015 $'000**	**31.12.2014 $'000**
Cash and cash equivalents		17,803	15,158
Other receivable	5	5,479	3
Prepayments		352	463
Capitalised equity raising cost		1,088	-
Current assets		**24,722**	**15,624**
Property, plant and equipment		33,770	32,001
Intangible assets		611	570
Deferred tax		409	359
Non-current assets		**34,790**	**32,930**
Total assets		**59,512**	**48,554**
Borrowings		86	80
Current tax liabilities		2,003	2,064
Other payables		2,361	909
Other liabilities		209	192
Deferred revenue		11,495	9,510
Current liabilities		**16,154**	**12,755**
Deferred revenue		15,092	16,824
Non-current Liabilities		**15,092**	**16,824**
Total liabilities		**31,246**	**29,579**
Net assets		**28,266**	**18,975**
Contributed equity		4,496	4,276
Reserves		7,167	4,821
Retained earnings		16,603	8,857
Equity attributable to the owners of Traditional Therapy Clinics Limited		**28,266**	**17,954**
Non-controlling interests	7	-	1,021
Total equity		**28,266**	**18,975**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Contributed equity	Surplus reserves	Foreign currency translation reserve	Option reserves	Retained earnings	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated 2014							
Balance at 31 December 2013	4,221	784	1,588	-	4,837	(192)	11,238
Profit for the year	-	-	-	-	5,700	370	6,070
Other comprehensive income for the year, net of tax	-	-	(810)	-	-	(33)	(843)
Total comprehensive income for the year	-	-	(810)	-	5,700	337	5,227
Transaction with owners in their capacity as owners:							
Acquisition of Non-controlling interest	55	249	(64)	-	(2,190)	1,950	-
Appropriation to surplus reserve	-	580	-	-	(580)	-	-
Dividends paid (Note 8)	-	-	-	-	(5,226)	(1,418)	(6,644)
Balance at 30 June 2014	4,276	1,613	714	-	2,541	677	9,821
Consolidated 2015							
Balance at 31 December 2014	4,276	1,947	2,874	-	8,857	1,021	18,975
Profit for the year	-	-	-	-	7,392	253	7,645
Other comprehensive income for the year, net of tax	-	-	1,462	-	-	97	1,559
Total comprehensive income for the year	-	-	1,462	-	7,392	350	9,204
Transaction with owners in their capacity as owners:							
Acquisition of Non-controlling interest	220	133	138	-	880	(1,371)	-
Appropriation to surplus reserve	-	526	-	-	(526)	-	-
Share based payments	-	-	-	87	-	-	87
Dividends paid	-	-	-	-	-	-	-
Balance at 30 June 2015	4,496	2,606	4,474	87	16,603	-	28,266

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

	Notes	Consolidated 30.06.2015 $'000	30.06.2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,631	14,925
Payments to suppliers and employees		(8,353)	(5,021)
Interest received		31	35
Income tax paid		(3,470)	(2,299)
CASH PROVIDED BY OPERATING ACTIVITIES		6,839	7,640
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(8,560)
Loans to shareholders	5	(5,320)	-
Loan repayments made by shareholders		-	905
CASH (USED IN) INVESTING ACTIVITIES		(5,320)	(7,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from shareholders		-	116
Loan repayments made to shareholders		-	(720)
Dividends paid to non-controlling interests in subsidiaries		-	(1,418)
Dividends paid to company's owners		-	(5,226)
CASH (USED IN) FINANCING ACTIVITIES			(7,248)
NET INCREASE / (DECREASE) IN CASH		1,519	(7,263)
CASH AT BEGINNING OF HALF-YEAR		15,158	18,813
Effect of exchange rate changes on cash and cash equivalents		1,126	(1,130)
CASH AT HALF-YEAR		17,803	10,420

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Note 2. Group restructure

Traditional Therapy Clinics Limited (TTC) was incorporated in Australia on 24 February 2015. A group restructure, commenced in April 2015 and was completed in May 2015, resulted in:

- the acquisition by TTC of 100% of the shares of China Fuqiao Healthcare Industry (Hong Kong) Limited, together with its wholly owned subsidiary Fuqiao (Chongqing) Holding Co., Ltd which is the main operating and holding company of the business in China;
- the acquisition by Fuqiao Holdings of 100% of the shares of Chongqing Wuhuan Fuqiao Healthcare Co., Ltd along with its wholly owned subsidiaries, Chongqing Fuqiao Vocational Training School; the shares of these two entities were previously held on a trust through an agreement with Ms Zhirong Hu previously; and
- the acquisition by Fuqiao Holdings of 100% of the shares of Chongqing Fuqiao Health Caring Service Co., Ltd; the shares of the entity was previously held on a trust through an agreement with Ms Zhirong Hu.

Note 3. Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of the nature of the business activities. Operating segments are therefore determined on the same basis.

The following operating segments have been noted:

- Franchise Clinics: 305 Franchise Clinics located in 26 administrative divisions in China as at 30 June 2015
- Owned Clinics: 11 Owned Clinics located in Chongqing, Zhejiang, Sichuan, Jiangsu, Yunnan and Fujian as at 30 June 2015

Segment Information	Owned Clinics	Franchise Clinics	Total
Half-year ended 30 June 2015	**$'000**	**$'000**	**$'000**
Treatment service revenue	10,832		10,832
Franchise revenue			
Franchise fee		3,348	3,348
Training fee		2,406	2,406
Management fee		3,666	3,666
Revenue	**10,832**	**9,420**	**20,252**
Cost of Revenue	(6,653)	-	(6,653)
Gross Profit	**4,179**	**9,420**	**13,599**

Segment Information	Owned Clinics	Franchise Clinics	Total
Half-year ended 30 June 2014	**$'000**	**$'000**	**$'000**
Treatment service revenue	6,982		6,982
Franchise revenue			
Franchise fee		2,440	2,440
Training fee		1,836	1,836
Management fee		2,629	2,629
Revenue	**6,982**	**6,905**	**13,887**
Cost of Revenue	(4,630)	-	(4,630)
Gross Profit	**2,352**	**6,905**	**9,257**

	Consolidated	
	30.06.2015	**30.06.2014**
	$'000	**$'000**
Gross profit	**13,599**	**9,257**
Selling and distribution expenses	(298)	(40)
General and administrative expenses	(1,585)	(765)
Other expenses	-	(3)
IPO costs	(834)	-
Finance costs	(26)	(5)
Finance income	31	35
Profit before income tax	**10,887**	**8,479**
Income tax expense	(3,242)	(2,409)
Profit after income tax expense	**7,645**	**6,070**

Note 4. Expenses

Profit before income tax is derived after taking the following into account:

	Consolidated	
	30.06.2015 $'000	30.06.2014 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Building	53	45
Fitting, furniture & equipment	406	323
Vehicles	65	66
Total depreciation	524	434
Employee benefits expenses		
Wages and salaries	3,829	2,230
Social security plans	626	348
Welfare expenses	206	158
Total employee benefits expenses	4,661	2,736
Finance costs		
Bank fee	26	5
Finance costs expensed	26	5
Rental expenses relating to operating leases		
Minimum lease payments	558	387
IPO costs		
One off costs associated with the IPO	834	-
Share based payment expense		
To recognise the expense of options and performance rights issued upon the company being admitted to ASX	87	-

The Non-executive Directors and the Company Secretary receive a proportion of their remuneration for the next three (3) years in the form of Options.

Set out below is a summary of the terms and conditions of the Options which will be issued subject to the company being accepted for admission to the official list of the Australian Securities Exchange (ASX).

<table>
<tr><td>Issue Date</td><td>On or around the date that the company is admitted to the Official List.</td></tr>
<tr><td>Option holders</td><td>Non-executive Directors and the company Secretary (or their Eligible Associates) will be granted Options subject to the company being accepted for admission to the Official List.</td></tr>
<tr><td>Number of Options to be issued</td><td><table><tr><th>Participant</th><th>Number of Options to be issued</th></tr><tr><td>Andrew Sneddon</td><td>3,300,000</td></tr><tr><td>Jeff Fisher</td><td>1,760,000</td></tr><tr><td>Glen Lees</td><td>1,760,000</td></tr><tr><td>Lisa Dalton</td><td>792,000</td></tr></table></td></tr>
<tr><td>Quotation</td><td>Options issued will not be quoted on the ASX. The company will make application to the ASX for official quotation of Shares issued on Options vesting and being exercised.</td></tr>
<tr><td>Vesting Date</td><td>The Options vest and become capable of exercise in 7 equal tranches over a 3 year period as follows:<table><tr><td>Tranche 1</td><td>On or around the date the company is accepted for admission to official list of ASX</td></tr><tr><td>Tranche 2</td><td>28-Feb-16</td></tr><tr><td>Tranche 3</td><td>28-Aug-16</td></tr><tr><td>Tranche 4</td><td>28-Feb-17</td></tr><tr><td>Tranche 5</td><td>28-Aug-17</td></tr><tr><td>Tranche 6</td><td>28-Feb-18</td></tr><tr><td>Tranche 7</td><td>28-Aug-18</td></tr></table></td></tr>
<tr><td>Issue price per Option</td><td>No amount is payable on issue of the Options</td></tr>
<tr><td>Exercise Price</td><td>A$0.75 per Option</td></tr>
<tr><td>Expiry Date</td><td>• Options that have vested expire at 5.00pm AEST, 5 years from the date that the company is admitted to the Official List of the Australian Securities Exchange, and
• Unvested Options expire on the earlier to occur of resignation, removal from office, death or permanent disablement, unless the Board determines otherwise.</td></tr>
<tr><td>Exercise Period</td><td>Each Option that has vested may be exercised at any time from the Vesting Date to any time prior to the Expiry Date by delivery to the company of a notice of exercise, accompanied by payment of the Exercise Price.</td></tr>
<tr><td>Vesting Conditions</td><td>Participants must have remained as a Non-executive Director or company Secretary (as the case may be) up until and including the Vesting Date.</td></tr>
<tr><td>Restrictions</td><td>Option holders are not entitled to assign, transfer, sell, encumber, hedge or otherwise deal with Options, except in accordance with the ESOP Rules and the Securities Trading Policy.</td></tr>
</table>

The Performance Rights are subject to performance and service conditions over approximately, a three-year performance period. The purpose of this offer is to provide Mr Zhonghan (John)Wu with a long-term service (retention) and performance incentive and to align personal, company and shareholder interests.

Set out below is a summary of the terms and conditions of the Performance Rights that will be issued to Mr Wu, subject to the company being admitted to the official list of the ASX.

Grant Date	On or around the date that the company is accepted for admission to the Official List
Participants	Zhonghan (John) Wu, Chief Financial Officer
Performance Rights Granted	Zhonghan (John) Wu will, subject to admission to the Official List, receive 1,050,000 Performance Rights that will vest in three tranches each of 350,000 Performance Rights.
Entitlements	Each Performance Right that vests entitles Mr Wu, to subscribe for one fully paid ordinary share in the capital of the company.
Quotation	Performance Rights granted under the LTI Plan will not be quoted on the ASX. The company will make application to the ASX for official quotation of Shares issued on Performance Rights becoming vested and being exercised.
Performance Right Restrictions	Mr Wu will not be entitled to assign, transfer, sell, encumber, hedge or otherwise deal with a Performance Right, except in accordance with the ESOP Rules and the Securities Trading Policy.
Issue price per Performance Right	No amount is payable by Mr Wu on issue of the Performance Rights
Exercise Price	The Performance Rights have a zero Exercise Price
Vesting Date	Tranche 1 — 350,000 Performance Rights vest on 28 August 2018 subject to Gates and Performance Conditions Tranche 2 — 350,000 Performance Rights vest on 28 August 2019 subject to Gates and Performance Conditions Tranche 3 — 350,000 Performance Rights vest on 29 August 2020 subject to Gates and Performance Conditions
Performance Period	Tranche 1 — Date of Issue to 30 June 2018 Tranche 2 — Date of Issue to 30 June 2019 Tranche 3 — Date of Issue to 30 June 2020
Expiry Date	Performance Rights have an Expiry Date listed in the second column of the table below if the event listed in the first column occurs.

Event	Expiry Date
On these dates	Tranche 1: 28 February 2019 Tranche 2: 28 February 2020 Tranche 3: 28 February 2021
Mr Wu's employment with the TTC Group is lawfully terminated for fraud or serious misconduct.	On the Termination Date.
Mr Wu resigns from employment with the TTC Group.	On the last day of employment, unless the company in its absolute discretion and subject to any conditions it sees fit decides that the Performance Right should not expire or sets a later Expiry Date.
Mr Wu's employment with the TTC Group is lawfully terminated for reasons other than fraud or serious misconduct.	On the last day of employment, unless the company in its absolute discretion and subject to any conditions it sees fit decides that the Performance Right should not expire or sets a later Expiry Date.
Mr Wu dies or becomes totally and permanently disabled.	Immediately, unless the company in its absolute discretion and subject to any conditions it sees fit decides that the Performance Right should not expire or sets a later Expiry Date.
Mr Wu and the Employee Associate holding the Performance Rights cease to be Associates.	Immediately, unless the company in its absolute discretion and subject to any conditions it sees fit decides that the Performance Right should not expire or sets a later Expiry Date.

Vesting Conditions

Mr Wu's Performance Rights are subject to the following Vesting Conditions:

- continual employment by the company from the Grant Date to the Vesting Date;
- the volume-weighted average price (VWAP) of TTC shares over the Performance Period being greater than the Offer Price; and
- performance conditions established at the beginning, and in place by and assessed by the Board at the end, of the relevant Performance Period relating to timely communication and reporting between Chinese operating entities and the company.

Note 5. Other receivable

As part of the group restructure (refer to note 2) to acquire legal entities owned directly by Ms Zhirong Hu, RMB 25.5 million (A$5,450,000) was temporally transferred to Ms Zhirong Hu. This amount has been transferred back to the company as at 10 August 2015.

Note 6. Related Party Transactions

Disclosures relating to Related Party Transactions are set out in note 4 and note 5.

Note 7. Non-controlling interests

In May 2015, as part of the group restructure explained in note 2, the group acquired a further 5% of shareholding of Chongqing Wuhuan Fuqiao Healthcare Co., Ltd and Chongqing Fuqiao Vocational Training School with nil consideration to the minority interest holders. The non-controlling interest of these two entities is nil after the acquisition.

Note 8. Equity – dividends

On 16 May 2014 the subsidiary, Chongqing Wuhuan Fuqiao Healthcare Limited company paid a final dividend for the year ended 31 December 2013 of $5,200,000 (RMB 30 million).On 26 February 2014 the subsidiary, Chongqing Fuqiao Healthcare Services Limited company paid a final dividend for the year ended 31 December 2013 of $1,400,000 (RMB 8 million).

On 31 August 2015 the directors declared an interim dividend for the half year ending 30 June 2015 of 1.7 cents per ordinary share to be paid on 30 October 2015, a total estimated distribution of $3,753,124 based on the number of ordinary shares expected to be on issue as at 1 October 2015.

Note 9. Contingent liabilities

The Group has no contingent liabilities or contingent assets as at 30 June 2015. (2014: $nil).

Note 10. Events after the reporting period

Apart from the dividend declared as disclosed in note 8 and the repayment of the receivable as disclosed in note 5, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Zhirong Hu
Managing Director

31 August 2015
People's Republic of China

Andrew Sneddon
Chairman

31 August 2015
Australia

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Traditional Therapy Clinics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Traditional Therapy Clinics Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Traditional Therapy Clinics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Traditional Therapy Clinics Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traditional Therapy Clinics Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 31 August 2015