

Market Announcement

17 December 2018

Traditional Therapy Clinics Limited (ASX: TTC) – Removal from Official List

Description

Traditional Therapy Clinics Limited ('TTC') is removed from the Official List immediately in accordance with Listing Rule 17.12.

ASX Limited formed the view that it is appropriate to remove TTC from the Official List having regard to the following factors:

1. The failure of TTC to lodge its half yearly accounts for the half year ended 30 June 2018, in breach of listing rule 4.2A.
2. TTC's announcement dated 24 September 2018 titled '*Further Clarification of Delay in Finalising Audit*' which included the following statement:

The auditors also noted that the half year report could not be finalized within time because the auditors could not obtain to their satisfaction an independent confirmation from TTC's bank in China to support the Company's true cash at bank balance as at 30 June 2018. The auditors first brought this to the attention of the Company on 30 August 2018. The auditors proposed on 3 September 2018 a template for a new confirmation procedure for independent confirmation of true cash at bank which required authority from, but no participation by, TTC management. The Company's management has not provided this authority.

3. TTC's failure to respond to ASX's query letter dated 10 October 2018 (copy attached), in breach of Listing Rule 18.7. The letter asked TTC about its failure to provide authority for its auditors to independently verify TTC's bank account cash balances and warned that ASX reserved the right to remove TTC from the official list if TTC did not respond to that query letter by the specified deadline.
4. On 15 October 2018, the person delegated by TTC to be responsible for communications with ASX, advised that TTC's management or the board had not given them the authority to respond to the query letter and therefore a reply would not be provided by the requested date. ASX reiterated to TTC at that time that removal from the official list was a potential consequence of not providing a response. ASX further reminded TTC of this on 15 October 2018 and 23 October 2018.
5. On 5 November 2018, ASX sent TTC a "show cause" letter to reiterate TTC's serious breaches of the Listing Rules and proposed termination of TTC's ASX Listing. No satisfactory response was received.

Issued by

Belinda Chiu

Senior Adviser, Listings Compliance (Sydney)



10 October 2018

Mr Donald Du

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Chongqing

People's Republic of China

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Dear Mr Du and Ms Hu,

Traditional Therapy Clinics Limited ("TTC")

ASX Limited ("ASX") notes that on 24 September 2018, TTC announced further details about the delay in finalising its audit with BDO Audit (WA) Pty Ltd (the "Auditors"), where the announcement stated the following:

"...The auditors proposed on 3 September 2018 a template for a new confirmation procedure for independent confirmation of true cash at bank which required authority from, but non participation by, TTC management (the "Authority"). The Company's management has not provided this authority..."

Having regard to the above, ASX asks TTC to respond separately to each of the following questions and requests for information pursuant to listing rule 18.7:

1. As at the date of this letter, has TTC provided the Authority to the Auditors?
2. If the answer to question 1 is no, please provide reasons and a full account of the circumstances as to why the Authority has not yet been provided, given that the proposed new template was given by the Auditors to TTC on 3 September 2018.
3. If the answer to question 1 is no, please confirm whether TTC intends to provide the Authority. And if so, on what timeframe does TTC expect to provide the Authority.
4. If TTC does not intend to provide the Authority, please explain the basis for this determination.
5. If the answer to question 1 is yes, please provide the date the Authority was given, and a full account of the events from the date the Auditors gave TTC the template for a new confirmation procedure, and the date the Authority was given.
6. Please confirm that TTC is in compliance with the Listing Rules (other than Listing Rule 4.2B) and in particular, Listing Rule 3.1.
7. 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 officer of TTC with delegated authority from the board to respond to ASX on disclosure matters.
8. Does TTC anticipate that its true cash at bank balance as at 30 June 2018 will vary materially from the balance originally provided to the Auditors? If it does, please provide an explanation of the reasons for the variation.

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.D.T.) on Monday, 15 October 2018. If a satisfactory response is not received by this time, ASX reserves the right to remove TTC from the Official List of ASX pursuant to Listing Rule 17.12.

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.

Yours sincerely

[Sent electronically without signature]

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