

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 18 MONTHS ENDED 30 JUNE 2019
1(a)(i) An income statement and statement of comparative 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.

The Company had on 1 February 2019 announced the change of its financial year from 31 December to 30 June. These unaudited financial statements will therefore, cover a period of 18 months from 1 January 2018 to 30 June 2019.

Consolidated statement of comprehensive income for the Group

| | The Group | | |
|-----------------------------------------------------------|---------------------|-------------------------|------------------|
| | 30 June 2019 | 31 December 2017 | Increase/ |
| | (Unaudited) | (Audited) | Decrease |
| | RMB'000 | RMB'000 | % |
| Revenue | 208,864 | 26,956 | 675% |
| Cost of sales | (139,066) | (23,983) | 480% |
| Gross profit | 69,798 | 2,973 | 2248% |
| Other income | 19,034 | 240 | 7831% |
| Expenses | | | |
| Selling & distribution | (3) | (1,196) | -100% |
| General and admin | (13,454) | (3,605) | 273% |
| Other expenses | (19,059) | (619) | 2979% |
| Finance costs | - | (928) | -100% |
| Profit/(Loss) before taxation | 56,316 | (3,135) | 1896% |
| Income tax | (16,606) | (2) | 830400% |
| Profit/(Loss) after taxation | 39,710 | (3,137) | 1366% |
| Other comprehensive income | | | |
| Foreign currency translation | (798) | - | *n.m |
| Total comprehensive profit/(loss) for the period | 38,912 | (3,137) | 1340% |
| Net profit/(loss) attributable to: | | | |
| Equity holders of the Company | 32,567 | (3,137) | 1138% |
| Non-controlling interest | 6,345 | - | *n.m |
| | 38,912 | (3,137) | 1340% |
| Total comprehensive profit/(loss) attributable to: | | | |
| Equity holders of the parent Company | 33,365 | (3,137) | 1164% |
| Non-controlling interest | 6,345 | - | *n.m |
| | 39,710 | (3,137) | 1366% |

*n.m - not meaningful

1 : The unaudited 18 month period results ended 30 June 2019 covers the period from 1 January 2018 to 30 June 2019.

2 : The audited 12 month period results ended 31 December 2017 covers the period from 1 January 2017 to 31 December 2017.

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019
1(a)(ii) Other information

The Group's profit/(loss) before taxation is arrived at after charging/(crediting):

| | Year ended 2019 RMB'000 (Unaudited) | 2017 RMB'000 (Audited) |
|-----------------------------------------------|----------------------------------------------|------------------------------|
| Amortisation of land use rights | - | 61 |
| Depreciation of property, plant and equipment | 70 | 3,176 |
| Interest income | 328 | 240 |
| Gain on bargain purchase | (18,684) | - |
| Loss on disposal | 19,059 | - |

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019
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.
Statements of financial position

| | The Group | | The Company | |
|---------------------------------------------|-------------------------------------------|---------------------------------------------|-------------------------------------------|---------------------------------------------|
| | 30 June 2019 (Unaudited) RMB'000 | 31 December 2017 (Audited) RMB'000 | 31 June 2019 (Unaudited) RMB'000 | 31 December 2017 (Audited) RMB'000 |
| Assets and Liabilities | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 252 | 24,518 | - | - |
| Land use rights | - | 2,244 | - | - |
| Investment in subsidiaries | - | - | 1,016 | - |
| | <u>252</u> | <u>26,762</u> | <u>1,016</u> | <u>-</u> |
| Current assets | | | | |
| Inventories | - | 566 | - | - |
| Contract receivables | 194,737 | | | |
| Trade receivables and other receivables | 194,028 | 6,507 | - | - |
| Prepayment | 858 | 4,560 | 24 | - |
| Due from a subsidiary | - | - | 144,540 | 4,796 |
| Cash and bank balances | 104,606 | 112 | 30 | 5 |
| | <u>494,229</u> | <u>11,745</u> | <u>144,594</u> | <u>4,801</u> |
| Current liabilities | | | | |
| Trade payables and other payables | 278,903 | 9,085 | 4,046 | 4,492 |
| Interest-bearing bank borrowings | - | 12,900 | - | - |
| Amount due to subsidiary | - | - | - | 4,896 |
| Deferred tax liability | 16,606 | - | - | - |
| | <u>295,509</u> | <u>21,985</u> | <u>4,046</u> | <u>9,388</u> |
| Net current assets | 198,720 | (10,240) | 140,548 | (4,587) |
| Net assets | <u>198,972</u> | <u>16,522</u> | <u>141,564</u> | <u>(4,587)</u> |
| Equity | | | | |
| Share capital | 286,830 | 135,773 | 286,830 | 135,773 |
| Treasury shares | (35) | (35) | (35) | (35) |
| Reserves | (23,175) | (2,976) | 81,529 | 79,908 |
| Accumulated losses | (82,876) | (116,240) | (226,760) | (220,233) |
| Attributable to Controlling interest | <u>180,744</u> | <u>16,522</u> | <u>141,564</u> | <u>(4,587)</u> |
| Non Controlling interest | <u>18,228</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>198,972</u> | <u>16,522</u> | <u>141,564</u> | <u>(4,587)</u> |

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 30 June 2019 | | As at 31 December 2017 | |
|--------------------|----------------------|------------------------|----------------------|
| Secured RMB'000 | Unsecured RMB'000 | Secured RMB'000 | Unsecured RMB'000 |
| - | - | 12,900 | - |

Amount repayable after one year

| As at 30 June 2019 | | As at 31 December 2017 | |
|--------------------|----------------------|------------------------|----------------------|
| Secured RMB'000 | Unsecured RMB'000 | Secured RMB'000 | Unsecured RMB'000 |
| - | - | - | - |

Details of any collateral

Not applicable

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019
1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
Consolidated statement of cash flows for the Group

| | The Group 30 June 2019 (Unaudited) RMB'000 | 31 December 2017 (Audited) RMB'000 |
|------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before income tax | 56,316 | (3,135) |
| Adjustments for: | | |
| Amortisation of land use rights | - | 61 |
| Depreciation of property, plant and equipment | 70 | 3,176 |
| Extraordinary income | (18,684) | - |
| Impairment loss | 102 | - |
| Loss on disposal | 19,059 | - |
| Interest income | (328) | (240) |
| Interest expenses | - | 928 |
| Surplus reserve | 1 | - |
| Operating cash flows before changes in working capital | 56,536 | 790 |
| Changes in working capital: | | |
| Contract receivables | (194,737) | (2) |
| Trade and other receivables | (194,886) | (2,388) |
| Trade and other payables | 269,818 | 1,742 |
| Cash generated from / (used in) operating activities | (63,269) | 142 |
| Interest paid | - | (928) |
| Interest received | 328 | 240 |
| Income tax paid | - | (2) |
| Net cash from / (used in) operation before extraordinary income | (62,941) | (548) |
| Extraordinary income | 18,684 | - |
| Net cash generated from / (used in) operating activities | (44,257) | (548) |
| Cash flows from investing activities | | |
| Additional of property, plant and equipment | (322) | - |
| Net cash generated from/ (used in) investing activities | (322) | - |
| Cash flows from financing activities | | |
| Deconsolidation of previous subsidiary | (1,187) | - |
| Proceeds of bank loans | - | 12,900 |
| Repayment of bank loans | - | (12,900) |
| Proceeds from issue of share capital | 151,058 | - |
| Net cash generated from / (used in) financing activities | 149,871 | - |
| Net cash increase/(decrease) in cash and cash equivalents | 105,292 | (548) |
| Cash and cash equivalents at beginning of financial year | 112 | 660 |
| Effect of currency translation | (798) | - |
| Cash and cash equivalents at end of financial year | 104,606 | 112 |

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019

- 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.**

Statement of changes in equity for the Group

| | ←-----Attributable to equity holders of the Company-----→ | | | | | | | | | | | Total Equity |
|------------------------------------------------------------------|-----------------------------------------------------------|--------------------|------------------|--------------------|----------------------|-------------------|------------------------------------|--------------------|-----------------------|-------------------------|---------------------------------|-----------------|
| | Share capital | Treasury shares | Share premium | Capital reserve | Statutory reserve | Merger reserve | Currency translation reserve | Surplus reserve | Accumulated losses | Controlling interest | Non- controlling interest | |
| Group | \$ | | | \$ | | | | | | \$ | \$ | \$ |
| Balance at January 1, 2017 | 135,773 | (35) | 79,908 | 4,403 | 15,000 | (102,287) | - | - | (113,103) | 19,659 | - | 19,659 |
| Total comprehensive loss for the year: | - | - | - | - | - | - | - | - | (3,137) | (3,137) | - | (3,137) |
| Balance at December 31, 2017 | 135,773 | (35) | 79,908 | 4,403 | 15,000 | (102,287) | - | - | (116,240) | 16,522 | - | 16,522 |
| Balance at January 1, 2018 | 135,773 | (35) | 79,908 | 4,403 | 15,000 | (102,287) | - | - | (116,240) | 16,522 | - | 16,522 |
| Total comprehensive loss for the year: | | | | | | | | | | | | |
| Share Placement | 151,057 | - | 1 | - | - | - | - | - | - | 151,057 | - | 151,057 |
| Profit for the year | - | - | - | - | - | - | - | - | 33,365 | 33,365 | 6,345 | 39,710 |
| Exchange differences arising on translation of foreign operation | - | - | - | - | - | - | (798) | - | - | (798) | - | (798) |
| Deconsolidation of subsidiaries | - | - | - | (4,403) | (15,000) | 102,287 | - | - | (102,287) | (19,403) | - | (19,403) |
| Arising for deconsolidation of Subsidiary | | | | | | (102,287) | | | 102,287 | - | - | - |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | 1 | - | 1 | 11,883 | 11,884 |
| | 151,057 | - | - | (4,403) | (15,000) | - | (798) | 1 | 33,365 | 164,222 | 18,228 | 182,450 |
| Balance at June 30, 2018 | 286,830 | (35) | 79,909 | - | - | (102,287) | (798) | 1 | (82,875) | 180,744 | 18,228 | 198,872 |

Statement of changes in equity for the Company

| | Share capital RMB'000 | Treasury shares RMB'000 | Share premium RMB'000 | Accumulated losses RMB'000 | Total RMB'000 |
|-----------------------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------------|------------------|
| Company | | | | | |
| Balance at January 1, 2017 | 135,773 | (35) | 79,908 | (218,840) | (3,194) |
| Total comprehensive loss for the year | - | - | - | (1,393) | (1,393) |
| Balance at December 31, 2017 | 135,773 | (35) | 79,908 | (220,233) | (4,587) |
| Share placement | 151,057 | - | - | - | 151,057 |
| Total comprehensive loss for the period | - | - | - | (4,906) | (4,906) |
| Balance at June 30, 2018 | 286,830 | (35) | 79,908 | (225,139) | 141,564 |

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

On 28th September 2018, the Company has successfully placed out 50.0million new shares subsequent based on the shares held as at 31st December 2017.

There were no convertible shares issued by the Company as at 30 June 2019.

As at 30 June 2019, the Company issued and paid-up share capital was RMB 286,830,000 (31 December 2017: RMB 135,773,000). Treasury shares was 8,000 (31 December 2017: RMB 4,000).

- 1(d)(iii) To show the total 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.**

| | As at 30 June 2019 | As at 31 December 2017 |
|-----------------------------------------------------|-------------------------------|-----------------------------------|
| Number of ordinary shares in issue | 67,967,583 | 8,979,791 |
| Less: Ordinary shares kept as treasury shares | (8,000) | (4,000) |
| Number of ordinary shares excluding treasury shares | <u>67,959,583</u> | <u>8,975,791</u> |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There is no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 30 June 2019.

- 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 a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted all the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2018.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2017.

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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 Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter. As required by the listing requirements of the Singapore Exchange, with effect from the Group's financial year beginning on 1 January 2018, the Group has adopted all or revised that are mandatory for the financial year beginning in or after 1 January 2018 SFRS(I)s, SFRS(I) 9 Financial Instruments, and SFRS(I) 15 Revenue from Contracts with Customers. The application of the new and revised standards has no material effect on the financial statements, except there will be a change in accounting policy as described below:

The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps: • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation SFRS(I) 15 requires a contract liability (refund liability) and a right to returned goods to be recognized for products expected to be returned. The change in accounting policies has not impacts on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic and Diluted Profit/(Loss) Per Share

| | As at 30 June 2019 | As at 31 December 2017 |
|-----------------------------------------------------------------------|-----------------------|---------------------------|
| Profit/(Loss) attributable to equity holders of the Company (RMB'000) | 33.365 | (3.137) |
| <u>Basic</u> | | |
| Weighted average number of ordinary shares in issue ('000) | 54,721 | 8,976 |
| Profit/(Loss) per share (RMB) | 0.61 | (0.35) |
| <u>Diluted</u> | | |
| Weighted average number of ordinary shares in issue ('000) | 54,721 | 8,976 |
| Profit/(Loss) per share (RMB) | 0.61 | (0.35) |

The effect of dilutive potential ordinary shares to be awarded under the employee's performance share plan has no major impact on diluted.

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019

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.

| | The Group | | The Company | |
|-----------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
| | As at 30 June 2019 (Unaudited) | As at 31 December 2017 (Audited) | As at 30 June 2019 (Unaudited) | As at 31 December 2017 (Audited) |
| Net asset value per ordinary share (RMB) | 2.92 | 1.84 | 2.15 | (0.51) |
| Number of issued ordinary shares excluding treasury share as at end of the period | 67,959,583 | 8,975,791 | 67,959,583 | 8,975,791 |

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 Financial Performance

Revenue, Gross Profit and Gross Margin

The Group registered revenue RMB208.9 million for its infrastructure segment for FY2019, with Gross Profit at RMB69.8 million (Gross Margin at 33.4%) after our client accepted 5 parcels of the project being completed.

Other Income

Interest income were generated from fixed deposit placed with reputable bank which was higher due to amount of deposit being placed. The significant increase in other income mainly attributable to gain on bargain purchase of new subsidiaries.

Selling and distribution expenses

Selling and distribution expenses decreased by 100% from RMB1.1 million FY2017 to RMB0.003 million in FY2019, mainly attributed to the deconsolidation of the Simwa Knitting & Dyeing Co., Ltd, in view of non-clarity to its state of affairs in the reported period.

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Administrative expenses

Administrative expenses increased by approximately 273% from RMB3.6 million in FY2018 to RMB13.5 million in FY2019, mainly attributed by the followings:

- Legal & Professional fees - RMB 6.4m
- Director fees – RMB 1.6m
- Payroll & Employees' benefits – RMB 2.4m
- All other operating expenses – RMB 3m

Other expenses

The Board has decided to deconsolidate during the financial year the Fabrics subsidiaries operations given the Company has not be able to get clarity of this operation as mentioned in last quarter report.

Finance cost

Lower finance cost were recorded compared to FY 2017 was due to nil loan borrowing during the year.

Income tax expense

The effective tax rate for our operation was tax at 25% on the profit generated from the infrastructure.

Extraordinary income

The Group booked an one off extraordinary gain arising from the acquisition of its subsidiary; BoDao Road Construction. The Group managed to purchase below the fair value of this company reserves. The Company has appointed an independent valuer to assess the appropriateness and relevant purchase price allocation.

Profit

The Group reported a profit of RMB 38.9 million for FY2019 (FY2018: loss of RMB3.1 million) before minority interest in tandem to the above.

Review of Financial Position

- The Group has deconsolidated its subsidiary namely; Simwa Holdings Ltd.
- Fixed asset comprises computers and office equipment from purchases by the Company and the acquisition of its subsidiary.
- Contract receivables is the value of work under construction.
- Trade receivables is the value of construction work completed.
- Prepayment is mainly the professional fees and insurance
- Trade payables is mainly the cost of construction and the legal and professional fees from Infrastructure segment & Other payables include Director fees and some professional fees incurred from the Fabric operations.

Review of Cashflow Position

The Group generated a positive cashflow of RMB105.2 million during the period after successful Shares Placement amounting to RMB151.0 million in September 2018. This was partially offset by the followings activities

- Cash used in working capital amounting to RMB 45.4 million
- Cash used in investing in office equipments was RMB0.3million

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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The management noted no variance between the actual results of FY2019 and the prospect statement disclosed to shareholders in the 2017 full year results announcement and FY2019 results announcement.

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 Company has deconsolidated the figures from the fabrics segment since 3Q FY19 as the clarity on the state of its affairs was unclear. The Company shall update when the disposal of the related subsidiary has completed.

The Company was placed on the SGX Watchlist on 6 June 2019 due to the pre-tax losses recorded for period between 1 January 2015 and 31 December 2017 and the average daily market capitalization falling below S\$40 million over last six months. The audit for the latest financial period 1 January 2018 and 30 June 2019 which would reflect the results and performance of the infrastructure business that started in 2018 should be completed not later than September 2019.

KPMG has issued a special report on 13 August 2019 with its findings pertaining to the alleged compensation claims made by three customers in 2017. The Company is currently seeking for legal advice and will consult with SGX Regulatory department on the remedial actions. When necessary, the Company will hold an Extraordinary Meeting to seek shareholders' approval before commencing any legal action against persons whom have caused loss and damage to the Company.

With effect from new financial period commencing 1 July 2019, Singapore Dollars shall be used as a reporting currency for the Group.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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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/recommended for the year ended 30 June 2019 because the Company believes that it is more beneficial to re-invest the profits for the rapid growth of business.

13 Interested Person Transactions

The Group does not have any general mandate from shareholders for Interested Person Transactions. No interested person transactions exceeding S\$100,000 has been entered into by the Group for the period ended 30 June 2019.

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

| The Group 30 June 2019 | Singapore RMB'000 | China RMB'000 | Total RMB'000 |
|--------------------------------|----------------------|------------------|------------------|
| Infrastructure Business | | | |
| Revenue | - | 208,864 | 208,864 |
| Cost of sales | - | (139,066) | (139,066) |
| Gross profit | - | 69,798 | 69,798 |
| <hr/> | | | |
| The Group 31 December 2017 | Singapore RMB'000 | China RMB'000 | Total RMB'000 |
| Fabric Business | | | |
| Revenue | - | 26,956 | 26,956 |
| Cost of sales | - | (23,983) | (23,983) |
| Gross profit | - | 2,973 | 2,973 |

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8 above for details.

16. A breakdown of sales

| | The Group Latest Financial Year RMB'000 | The Group Previous Financial Year RMB'000 | Change % |
|-----------------------------------|--------------------------------------------------|----------------------------------------------------|-------------|
| Sales for the first half year | - | 6,889 | -100% |
| Operating loss after tax | (18,466) | (733) | 2419% |
| Sales for the second half year | 208,864 | 20,067 | 834% |
| Operating profit/(loss) after tax | 58,176 | (2,404) | -2231% |

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

Not applicable

18. Confirmation by the Board Pursuant to Rule 720(1) of SGX Listing Manual

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7.7.

19. Use of IPO proceeds

As at the date of this announcement, the net proceeds from the Company's initial public offering and placement proceeds had been utilised as follows:

| | Amount Allocated S\$'000 | Amount Utilised S\$'000 | Balance S\$'000 |
|-------------------------------------------------------|--------------------------------|----------------------------|--------------------|
| Used of IPO Proceeds | | | |
| to construct new facilities and acquire new machinery | 14,000 | 13,231 | 769 |
| to expand Research & Development facilities | 1,000 | 1,000 | - |
| working capital purposes | 2,182 | 2,182 | - |
| | 17,182 | 16,413 | 769 |
| Used of Placement Proceeds | | | |
| Project Investment | 22,900 | 6,980 | 15,920 |
| working capital purposes | 7,000 | 1,955 | 5,045 |
| | 29,900 | 8,935 | 20,965 |
| Total | 47,082 | 25,348 | 21,734 |

BY ORDER OF THE BOARD
Eric Choo Han Kiat
Executive Director and CEO
29 August 2019