FORISE INTERNATIONAL LIMITED

Annual Report 2015

CONTENTS

CHAIRMAN STATEMENT

For the financial year ended 31 December 2015

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present to you the Group's audited financial results for the financial year ended 31 December 2015 ("FY2015")

Financial Results

In FY2015 results, the management noted that the business conditions in the garment manufacturing business in the People's Republic of China ("PRC") have become increasingly difficult and challenging, and the Board is of the opinion that it is difficult for the core manufacturing component of its garment business (excluding the trading business) to turn around in the near term. Thus, it has to be disposed off or discontinued to prevent further deterioration and depletion of resources.

Trailing 3 years of consecutive losses, in the 4th quarter ended 31 December 2015, the Group had decided to eventually slow down and ceased the contract manufacturing operation. To this end, all the machineries of its production facilities held under the two main manufacturing subsidiaries were gradually disposed off to various third parties, and all production workers retrenched. The management has leased out the factory premises subsequent to FY2015.

The factors that led to the decision to cease production activities are as follows:

- years of recurring operating losses arising from highly intensified competition;
- continued deterioration in the business conditions of the garment manufacturing business in the PRC;
- rising cost of labour and other business costs; and
- compressed margins.

Notwithstanding the above, the Group will continue its business activities in the trading of garments. With a lighter asset base, the Group is better placed to contain operation costs and expend more attention on higher margin products for the trading business.

The Group posted a loss of RMB188.88 million and the contract manufacturing operations have been classified under 'Discontinued Operations" in the FY2015 financial results.

Industry Outlook

The business conditions for garment manufacturing in the PRC are expected to continue to be difficult and challenging. This is mainly due to weakness in global demands, rising labour and other costs in the PRC. The Group also noted the massive shift of many contract manufacturing business in garment industry to Vietnam due to, *inter alia*, (i) the strength of the RMB against the Dong, the lawful currency of Vietnam; (ii) the higher costs of labour in the PRC as compared to the costs of labour in Vietnam; and (iii) in anticipation that Vietnam will be part of the Trans-Pacific Partnership and thus be eligible for lower import dues in the United States of American as compared to the PRC. Accordingly, the Group seeks next to stem its negative cash flow in the PRC by either closing or liquidating its contract manufacturing subsidiaries.

CHAIRMAN STATEMENT

For the financial year ended 31 December 2015

Strategies Going Forward

The Group will continue its business in the trading of garments. The business does not require heavy investment and cost, which we could rely on our existing expertise, clientele and network to attain on reasonable trade margin. Although the PRC economy is slowing down, garment is a daily necessity, and demand will not decline significantly. As the world economy is also slowing down, cheaper garments from the PRC will add value to the consumer.

The Group is considering to diversify into the business of providing strategic planning, corporate advisory and management consulting services. In the event that the Company intends to proceed, this diversification of business will be subject to shareholders' approval at an extraordinary general meeting to be convened. The Group will continue to seek opportunities in any other businesses which could contribute toward the Group being removed from the watchlist of the SGX-ST.

As announced on 6 April 2016, following the ceasing of its manufacturing operations, the Company intends to dispose of its excess fixed assets related to the manufacturing segment of the Group's business, and has entered into an agreement with Weng Wenwei, the founder and ex-director of the Group, to dispose of all its interest in subsidiaries previously undertaking the ceased manufacturing operations.

Acknowledgments

On behalf of the Board of Directors, I would like to take this opportunity to thank our shareholders, business partners, bankers and our management and staff for their support, contribution and commitment, and we look forward to the continuing support for better years ahead.

Mr Wang Xin
Executive Chairman

The Group had incurred a total loss of RMB188,882,000 (2014: RMB21,647,000) for the financial year ended 31 December 2015 mainly due to impairment losses recognized for certain assets. The business conditions in the garment manufacturing business in the PRC have become increasingly difficult and challenging. Following the strategic and special review, the Board is of the opinion that it is difficult for the core manufacturing component of its garment business (excluding the trading business) to turn around in the near term. Thus, it has to be disposed off or discontinued to prevent further deterioration and depletion of resources. Therefore, the Group has disposed off the plant and machineries and ceased the production activities in December 2015.

Losses from discontinued operations net of tax

In November 2015, the Group had disposed all the machinery and equipment of its production facilities held under the two main manufacturing subsidiaries to various third parties and ceased productions in December 2015. The factors that led to the management's decision to cease production activities are due to the following reasons:

– years of recurring operating losses arising from highly intensified competition
– continuing deterioration in the business conditions of the garment manufacturing business in the PRC
– rising cost of labour and other business costs
– compressed gross profit margins

Consequently, the Group has reclassified the contract manufacturing business as discontinued operations.

The Group's losses from discontinued operations, net of tax, increased by RMB163.75 million from RMB14.81 million in FY2014 to RMB178.56 million in FY2015. The increase was mainly due to impairment losses recognized for certain assets, decline in revenue and high operational costs.

FINANCIAL POSITION

Non-Current Assets

Non-current assets decreased by RMB12.22 million from RMB65.37 million in FY2014 to RMB53.15 million in FY2015, mainly due to depreciation and amortization charges of RMB6.85 million and the disposal of machineries of RMB9.96 million to various parties. The machineries were disposed of progressively in tandem with the winding down of the contract manufacturing operations, in light of the Group shifting its attention and focus to its trading operations.

Current Assets

As at 31 December 2015, the current assets of the Group amounted to approximately RMB142.7 million, and accounted for approximately 72.9% of total assets.

Cash and cash equivalents of approximately RMB79.6 million accounting for approximately 40.6% of total assets, decreased by RMB33.98 million from RMB113.57 million in FY2014 due mainly to repayment of bank borrowings during the year.

Trade and other receivables decreased by RMB118.24 million from RMB168.25 million in FY2014 to RMB50.01 million in FY2015. The decrease was mainly due to impairment provided for receivables and advances to suppliers of RMB169.24 million, and decreases in other receivables, declined in revenue due to lower demands and the eventual cessation of the manufacturing operations.

Inventories decreased by RMB41.88 million from RMB52.83 million in FY2014 to RMB10.95 million in FY2015. The decrease was mainly due to inventory write down of RMB19.81 million and the slow down and ceased of the manufacturing operations.

Current liabilities

Current liabilities decreased by RMB58.21 million from RMB386.74 million in FY2014 to RMB328.53 million in FY2015. The decrease was mainly due to the reduction in borrowings of RMB73.34 million and offset with the increase in trade and other payables.

Shareholder's equity

Total shareholder's equity decreased by RMB148.67 from RMB15.98 in FY2014 to negative shareholder's equity of RMB132.69 million in FY2015. The decrease was mainly due to the losses of RMB188.88 million incurred in FY2015 and the increase in share capital of RMB40.55 million arising from the proceeds of the rights issue of RMB39.71 million and the exercise of warrants of RMB0.79 million.

Commentary on financial cash flow

The Group incurred net cash used in operating activities of RMB7.27 million in FY2015. This was mainly due to reduction in inventories and accounts receivables offset against losses for FY2015.

Net cash generated from investing activities in FY2015 was RMB1.83 million. This was mainly related to the disposal of machineries.

Net cash generated in financing activities in FY2015 was RMB4.84 million. This was mainly due to proceeds from rights issue of RMB39.71 million; proceeds from warrants exercised of RMB0.79 million and short-term bank deposits pledged of RMB47.55 million offset by the repayment of borrowings of RMB73.34 million and interest payment of RMB9.87 million.

As a result of the above, cash and cash equivalents increased by approximately RMB13.94 million from approximately RMB20.19 million as at 31 December 2014 to approximately RMB33.76 million as at 31 December 2015 after accounting for the effects on currency translation on cash and cash equivalents of RMB0.37 million.

Mr. Wang Xin

Mr. Wang Xin ("Mr. Wang") is the Executive Chairman of the Group. Mr Wang was appointed to our Board on 19 August 2015. He will be retiring at the Company's upcoming AGM in on 29 April 2016 and will be seeking re-election at the AGM. He formulates and sets strategic directions for the Group and is responsible for the development and growth of the Group.

Mr. Wang has over 20 years of experience in the business development, direct investment, asset management, corporate advisory, strategic planning with strong knowledge relating to financial market in PRC, Hong Kong, Singapore and Australia. He is responsible for the Group's top layer design and master plan, as well as strategic development plan.

Mr. Wang has been the Chairman of Fu Hua Holdings Limited since 2013. Mr. Wang is also serving as the Chairman of various companies incorporated in the PRC and overseas since 2009, namely, Beijing Fu Hua Real Estate Development Ltd; Dongyan Hi-Tech (Beijing) Environment Protection Technology Co. Ltd and Beijing Dongyan 21st Century Environmental Technology Co., Ltd. Prior to his chairmanship, he was the General Manager of Beijing Guo Run Zhong He Technology Development Co Ltd from 2005 to 2009.

Mr. Peng Fei

Mr. Peng Fei is the Executive Director of our Group. Mr Peng was appointed to our Board on 19 August 2015. He will be retiring at the Company's upcoming AGM on 29 April 2016 and will be seeking re-election at the AGM. He is responsible for executing the strategic directions set by the Board.

Mr. Peng Fei has been the Executive President of Fu Hua Holdings Limited since 2013. He is responsible for managing domestic and global investment business of Fu Hua Holdings Limited and its group companies, and had during his term assisted in the rapid growth of the group's businesses. He has also led projects on refocusing the company's business segments, resulting in higher shareholder values. Mr. Peng Fei has over 20 years of investment management experience, corporate advisory, financial restructuring advisory, strategic planning with strong knowledge relating to capital markets in the PRC, Hong Kong, Singapore and the United Kingdom.

Prior to joining Fu Hua Holdings Limited and the Company, Mr. Peng Fei served as the President of Reignwood International Investment Ltd., where he was responsible for managing the group's global investment activities. He had successfully assisted the company in acquiring a property in London in 2011 and led the conceptualization and execution of the plans for the development of the property into a hotel and service apartment to enhance the returns of the property. Previously, Mr. Peng Fei was the vice president of Aluminum Corporation of China Ltd and CHINALCO Overseas Holdings Ltd, and was responsible for CHINALCO (a Fortune 500 company)'s major overseas investment business.

Mr. Peng Fei holds an MSc in Finance and Investment with Distinction from Durham University, UK.

BOARD OF DIRECTORS

For the financial year ended 31 December 2015

Mr. Leo Peng WeiLe

Mr. Peng Weile ("Mr. Leo Peng") is the Executive Director of our Group. He was appointed to our Board on 19 August 2015. He will be retiring at the Company's upcoming AGM on 29 April 2016 and will be seeking re-election at the AGM. He is responsible for executing the strategic directions set by the Board, and is also responsible for the management of the Group, including areas such as fund raising, forex market, investments, mergers and acquisitions, public relations, road shows, corporate governance and compliance and develop strategic partnership with financial institutions, fund managers and banks.

Mr. Leo Peng has been the Managing Director of the Investment Banking department of Fu Hua Holdings Limited since 2014. He is responsible for undertaking overseas investments and fund management business of Fu Hua Holdings Limited. He has over thirteen years of experience in investment banking, direct investment, asset management, corporate advisory, financial restructuring advisory, and strategic planning, and has strong knowledge relating to the capital markets in the PRC, Hong Kong, Singapore and Australia. He has served as the executive director of two listed companies and has been appointed by several companies as their external financial advisor, to provide strategic planning, financial structuring, listing and fund raising services during the past few years. He has been involved in a number of successful listings, pursuant to which he has successfully assisted various Chinese companies in their listing on the stock exchanges in Singapore, Hong Kong and Australia, and has a very good network and in-depth knowledge of capital markets, both on-shore and off-shore. He was previously with Deutsche Morgan Grenfell Securities Ltd and HL Bank Singapore, in which he assisted companies in their fund raising from the equity capital markets in Singapore.

Mr. Leo Peng holds a Masters degree in Finance from the National University of Ireland, Dublin; and a Diploma in Wealth Management from Wealth Management Institute of Singapore.

Mr. Christopher Chong

Mr. Christopher Chong Meng Tak ("Mr. Chong") is our Lead Independent Director. Mr Chong was appointed to the Board on 19 August 2015. He will be retiring at the Company's upcoming AGM on 29 April 2016 and will be seeking re-election at the AGM.

Mr. Chong is a partner of ACH Investments Pte. Ltd., a corporate advisory firm regulated by the Monetary Authority of Singapore. He is currently the Non-Executive Chairman of Cedar Strategic Holdings Ltd., and an independent director of other public companies, including, Ying Li International Real Estate Limited listed on the SGX-ST; and GLG Corp Ltd and Koon Holdings Limited, both of which are listed on the Australian Stock Exchange. Mr. Chong is also a director and/or an adviser to several private companies, significant Asian families and a regulatory branch of the Singapore Government.

Mr. Chong has significant experience in capital markets, securities law, corporate governance and corporate affairs. Prior to co-founding ACH Investments Pte. Ltd, he was a multi-award winning analyst and the managing director of HSBC Securities (Singapore) Pte. Ltd, formerly known as HSBC James Capel Securities (Singapore) Pte. Ltd, and prior to this was an executive director of UOB Kay Hian Holdings Ltd, formerly known as Kay Hian James Capel Ltd.

Mr. Chong holds a Bachelor of Science degree in Economics (1st Honour) from the University College of Wales and a Master of Business Administration degree from the London Business School. He is a member of the Institute of Chartered Accountants of Scotland, a Fellow of the Australian Institute of CPAs, a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of the Singapore Institute of Directors, a Fellow Australian Institute of Company Directors and a Master Stockbroker of the Securities and Derivatives Industry Association of Australia.

Ms. Lee Kim Lian, Juliana

Ms. Lee Kim Lian, Juliana (“Ms. Lee”) is our Independent Director. She was appointed to the Board on 18 June 2009 and was last re-elected at the Company’s AGM in April 2015.

Ms. Lee holds a Bachelor of Laws (Honours) degree from the National University of Singapore and is a member of the Singapore Institute of Directors. She has more than 20 years of experience in legal practice and is currently a director of Aptus Law Corporation, heading its corporate practice. Her main areas of practice are corporate law, corporate finance, mergers and acquisitions and venture capital.

Ms. Lee currently also sits on the boards of Lee Metal Group Ltd and Nordic Group Limited, having retired from the board of PSL Holdings Limited in December 2014.

Mr. San Meng Chee

Mr. San Meng Chee (“Mr. San”) is our Independent Director. He was appointed to the Board on 13 March 2014 and was last re-elected in April 2014. He will be retiring at the Company’s upcoming AGM on 29 April 2016 and will be seeking re-election at the AGM.

Mr. San has more than 20 years of experience in accounting, financial and corporate matters. He is currently the CFO of New Toyo International Holdings Ltd. Mr. San has held senior financial positions in listed companies and served as Chief Financial Officer of Superior Multi-Packaging Limited from September 2006 to August 2013. Prior to that, he was the Group Financial Controller of New Toyo International Holdings Ltd from October 2004 to August 2006. Mr. San also currently sits on the board of Astaka Holdings Limited.

He holds a Bachelor of Business degree in Accountancy from the Edith Cowan University, Western Australia and is a fellow member of CPA Australia.

CORPORATE INFORMATION

For the financial year ended 31 December 2015

Board of Directors

Executive Directors
Wang Xin (Executive Chairman)
Leo Peng WeiLe
Peng Fei

Non-Executive Directors
Christopher Chong Meng Tak
(Lead Independent Director)
Lee Kim Lian, Juliana
San Meng Chee

Audit Committee
Christopher Chong Meng Tak (Chairman)
Lee Kim Lian, Juliana
San Meng Chee

Remuneration Committee
San Meng Chee (Chairman)
Christopher Chong Meng Tak
Lee Kim Lian, Juliana

Nomination Committee
Lee Kim Lian, Juliana (Chairman)
Christopher Chong Meng Tak
San Meng Chee

Registered and Singapore office
80 Raffles Place
#11-20 UOB Plaza 2
Singapore 048624
Tel: (65) 65323008
Fax: (65) 65323007

Company Secretary
Ong Wei Jin, LL.B. (Hons)
Goh Pei Shan, LL.B. (Hons)

Share Registrar and Share Transfer
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Independent Auditor
Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director-in-charge: Lee Look Ling
CA Singapore
(appointed since 2012)

Internal Auditors
BDO LLP
21 Merchant Road #05-01
Merukh S.E.A. Building
Singapore 058267

Principal Bankers
United Overseas Bank
Citibank N.A. Singapore

Forise International Limited (the "**Company**") recognises the importance of a high standard of corporate governance within the Company and its subsidiaries (the "**Group**") and is committed to maintaining it. Good corporate governance establishes and maintains a legal and ethical environment, which strives to preserve and enhance the interests of all shareholders. This report outlines the Company's corporate governance framework and practices with specific reference to the Singapore Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2016 (the "**Guide**") for the financial year ended 31 December 2015 ("**FY2015**"). The Company has complied with the principles of the Code and Guide where appropriate. Explanations are provided where there are deviations from the Code and the Guide.

1. BOARD MATTERS

1.1 THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

As at the date of this report, the Board comprises the following members:

Executive Directors

Wang Xin	Executive Chairman
Peng Weile	Executive Director
Peng Fei	Executive Director

Non-Executive Directors

Christopher Chong Meng Tak	Lead Independent Director
Lee Kim Lian, Juliana	Independent Director
San Meng Chee	Independent Director

The Board's primary role is to provide protection and enhancement of shareholders' long-term value. Apart from its statutory requirements, the Board performs the following principal functions:

(a) provides stewardship to the Company including charting its corporate strategies and business plans;
(b) supervises the Management of the businesses and affairs of the Group and provides guidance and advice to Management;
(c) reviews and approves the Group's strategic plans, key operational initiatives, major funding and investment proposals;
(d) identifies principal risks of the Group's businesses and ensures appropriate systems are in place to manage these risks;
(e) oversees the evaluation of the adequacy of internal controls, addresses risk management, financial reporting and compliance, and satisfies itself as to the sufficiency of such processes;
(f) reviews the financial performance of the Group;
(g) evaluates the performance and compensation of senior management personnel of the Company; and
(h) assumes responsibility for corporate governance practices.

The Board has also adopted internal guidelines and financial authority limits structure setting forth matters that require the Board's decision or specific approval. Matters specifically reserved to the Board for its approval include:

(a) interested persons transactions of a material nature and matters involving a conflict of interest of a substantial shareholder or a director;
(b) material acquisitions and disposal of assets or mergers and acquisitions;
(c) corporate or financial restructuring;
(d) share issuances, interim dividends and other returns to shareholders;
(e) acceptance of bank facilities; and
(f) any material investments or expenditures not in the ordinary course of the Group's businesses.

To further assist in the execution of its responsibilities, the Board has established a number of committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly monitored. Minutes of all Board Committee meetings will be circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Board meets at least on a quarterly basis and whenever necessary to discharge their duties. Dates of the Board meetings are normally set by the Directors well in advance. In between the scheduled meetings, the Board may have ad-hoc Board meetings and/or informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Meetings of the Board and Board Committees may be conducted by way of telephone conferencing, if necessary. The Company's Articles of Association permit the Directors of the Company to attend meetings through the use of audio-visual communication equipment.

The number of meetings held by the Board and Board Committees and attendance for the FY2015 are summarized in the table below:

Name of Director	Board		AC		RC		NC	
	Nos. of meeting		Nos. of meeting		Nos. of meeting		Nos. of meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Wang Xin[1]	8	3[4]	4	1[4]	1	0	2	0
Peng Weile[1]	8	3	4	1[5]	1	0	2	0
Peng Fei[1]	8	3[4]	4	1[4]	1	0	2	0
Weng Wenwei[2]	8	8	4	4[5]	1	1[5]	2	2[5]
Christopher Chong Meng Tak[1]	8	2	4	1	1	0	2	0
Lee Kim Lian, Juliana	8	8	4	4	1	1	2	2
San Meng Chee	8	8	4	4	1	1	2	2
Chiang, Mike Chia-Peng[3]	8	3	4	1	1	1	2	1

Notes:
1. Wang Xin, Peng Weile, Peng Fei and Christopher Chong Meng Tak were appointed on 19 August 2015.
2. Resigned on 16 March 2016.
3. Resigned on 19 August 2015.
4. Attended through representative.
5. Attended as invitee.

The Management and Executive Directors update the Board at each Board meeting on business and strategic developments. The Management also highlights the salient issues as well as the risk management considerations for the industry the Group is in. During the financial year reported on, the Directors also received training and briefing (either in-house or externally by auditors, company secretary, Management and/or other relevant professionals and during Board or ad hoc sessions) on changes to laws and regulations and accounting standards as well as commercial risks and development impacting on the Group.

Newly appointed Directors will be briefed by the relevant members of the Management team on the Group's businesses, the regulatory and commercial environment in which the Group operates and its governance policies. Familiarization visits to the Group's factories and offices will be organised on a need-to basis, where necessary, to facilitate better understanding of the Group's operations and projects. Training is encouraged and will be given to first time directors in areas such as accounting, legal and compliance. The Group facilitates attendance of relevant courses and seminars for new and existing Directors on in issues beyond basic director's duties and liabilities. Our Directors, from time to time, attend appropriate courses, conferences and seminars.

1.2 BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has six (6) members, comprising three (3) executive Directors and three (3) Independent Directors. The Company fulfills the Code's requirement that at least one-third of the Board should comprise independent directors, and also fulfills the requirement that independent directors should make up at least half of the Board where the Chairman is not an independent director.

The criterion for independence is based on the definition given in the Code. The Code defines an independent director as one who has no relationship with the company, its related corporations, its 10% shareholders(1) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code. The three (3) Independent Directors have confirmed their independence and they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment. The NC has also reviewed and is of the view that the three (3) Independent Directors are independent in accordance with the definition of independence in the Code.

The Company currently has no independent Directors who have served of the Board beyond nine (9) years.

The Independent Directors provide oversight on Management performance by constructively challenging and helping to develop proposals on strategy. They monitor and review the reporting and performance of Management in meeting agreed goals and objectives. The Independent Directors meet on their own as warranted without the presence of Management.

The Board constantly examines its size and, with a view to determining the impact of the number upon effectiveness, decides on what it considers an appropriate size for the scope and nature of the Group's operations and for effective decision-making. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective decision-making for the Group, taking into account the nature and scope of the Group's operations. Key information regarding the Directors in office as at the date of this Report, including their principal commitments, are set out below and on pages 6 to 8 of this Report:

Name of Director	Date of initial Appointment	Date of last re-election	Directorships in other listed companies	
			Current	Past 3 Years
Wang Xin	19 August 2015	N.A.	Nil	Nil
Peng Weile	19 August 2015	N.A.	Nil	Cedar Strategic Holdings Ltd Sino-Excel Energy Limited
Peng Fei	19 August 2015	N.A.	Nil	Nil
Christopher Chong Meng Tak	19 August 2015	N.A.	• GLG Corp Ltd • ASL Marine Holdings Ltd • Singapore O&G Ltd • Cedar Strategic Holdings Ltd	• Koda Ltd • Lorenzo Ltd • Koon Holdings Ltd
Lee Kim Lian, Juliana	18 June 2009	30 April 2015	• Lee Metal Group Ltd • Nordic Group Ltd.	PSL Holdings Ltd
San Meng Chee	13 March 2014	29 April 2014	• Astaka Holdings Limited	Nil

1.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board the executive's responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr. Weng Wenwei was the Executive Chairman and chief executive officer ("**CEO**") of the Company between 1 January 2015 to 19 August 2015. He was responsible for the overall management and strategic development of the Group as well as the day-to-day running of the Group. Commencing from 19 August 2015, Mr. Wang Xin was appointed as the Executive Chairman of the Company. The Company currently does not have a CEO. As the Executive Chairman is not an Independent Director, as good corporate governance practice and to ensure that there is no concentration of power and authority vested in one individual, the Group has appointed Mr. Christopher Chong Meng Tak as the Lead Independent Director. The Lead Independent Director will be available to the shareholders where they have concerns which cannot be resolved through the normal channels of the Executive Chairman, the chief financial officer (or equivalent), or where such contact is not possible or inappropriate.

As Executive Chairman of the Board, Mr. Wang Xin bears responsibility for the effective working of the Board. He is responsible for, amongst others, ensuring that Board meetings are held when necessary, exercising control over the quality, quantity and timeliness of information flow between the Board and Management, setting the Board meeting agenda in consultation with the Management, assisting in ensuring compliance with the Group's guidelines on corporate governance, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters.

1.4 BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments and overseeing the Company's succession and leadership development plans. The NC comprises Ms. Lee Kim Lian, Juliana (Chairman), Mr. Christopher Chong Meng Tak and Mr. San Meng Chee, all of whom, including the Chairman, are independent.

The NC functions under a set of written terms of reference which sets out its responsibilities as follows:

(a) To make recommendations to the Board on the appointment of new executive and non-executive Directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;
(b) To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
(c) To determine the process for search, nomination, selection and appointment of new board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
(d) To determine annually whether or not a Director is independent;
(e) To ensure that all Directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years, and to recommend Directors who are retiring by rotation to be put forward for re-election;
(f) To assess whether or not a director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations;
(g) To develop the process for evaluation of the performance of the Board, the Board Committees and Directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director; and
(h) To review the training and professional development programs for the Board.

There is a formal and transparent process for the appointment of new Directors to the Board. The NC reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board. The NC ensures that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In the nomination and selection process of a new director, the NC will also take into consideration the current Board size and its composition – including the mix of expertise, skills and attributes of the Directors – and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board.

Where a vacancy arises under any circumstances, or where it is considered that the Board could benefit from the services of a new director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The NC will evaluate the capabilities of the candidates in the area of academic and professional qualifications, knowledge and experiences in relation to the business of the Group. For new appointment of Director(s), the NC may tap on the Directors' or the Management's personal contacts, networks and recommendations. The NC will then meet with the shortlisted candidates to assess their suitability prior to recommending to the Board for approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 107 of the Company's Constitution provides that one third of the Board, or the number nearest to one third is to retire by rotation at every Annual General Meeting ("**AGM**"). In addition, Article 117 of the Company's Constitution also provides that new Directors appointed during the year either to fill a casual vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company. The following Directors are retiring at the forthcoming AGM:

In accordance with Article 117:
(a) Wang Xin
(b) Peng Weile
(c) Peng Fei
(d) Christopher Chong Meng Tak

In accordance with Article 107:
(a) San Meng Chee

Mr. Wang Xin, Mr. Peng Weile, Mr. Peng Fei, Mr. Christopher Chong Meng Tak, and Mr. San Meng Chee, being eligible, have offered themselves for re-election and the NC has recommended their re-election to the Board. Each of Mr. Christopher Chong Meng Tak and Mr. San Meng Chee has abstained from the NC's recommendation pertaining to his re-election. In making the recommendation, the NC had considered the overall contribution and performance of aforementioned Directors.

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC has considered and taken the view that it would not be appropriate to set a limit on the number of listed company directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC is of the view that sufficient time and attention to the affairs of the Company has been given by these Directors and is satisfied that all Directors have discharged their duties adequately for FY2015.

1.5 BOARD PERFORMANCE

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Annually, the NC performs an evaluation of the overall effectiveness of the Board and the Board Committees. The evaluation process is undertaken as an internal exercise and involves Board members completing an evaluation form covering areas relating to a number of factors, including the discharge of the Board functions, access to information, participation at Board meetings and communication and guidance given by the Board to the Management.

Each Director will assess the Board's performance as a whole and provide the feedback to the NC. A similar evaluation process is also conducted by each member of the Board Committees and the Board Committee members will evaluate the relevant Board Committee and provide feedback to the NC. In reviewing the Board's effectiveness as a whole and the Board Committees, the NC will take into account the feedback from Board and Board Committee members as well as the Director's individual skills and experience. The results of the evaluation exercise will be considered by the NC, and a summary report will be compiled, with a view to implementing certain recommendations to further enhance the effectiveness of the Board. The contribution of each individual Director to the effectiveness of the Board and Board Committee is assessed individually and reviewed by the NC. In assessing an individual Director's and Board Committee's performance, factors that are to be taken into consideration include attendance at Board meetings and related activities, adequacy of preparing for board meetings, contributions in specialist areas, generation of constructive ideas, and maintenance of independence.

The NC, having reviewed the overall performance of the Board and the Board Committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and each individual Director's performance, is of the view that the performance of the Board and each individual Director has been satisfactory. Nevertheless, as the Board has been recently re-constituted on 19 August 2015, the NC may deliberate over the need to carry out another evaluation in due course. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director. No external facilitator was used in the evaluation process.

1.6 ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. The Management reports to the Board the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner to enable the Directors to be cognizant of the decisions and actions of the executive management. Types of information provided by Management to the Independent Directors include management accounts, internal income statement forecast, external and internal auditors' reports and periodic updates on the Group's operations.

The Directors have unrestricted access to records and information of the Group, and have separate and independent access to the Company Secretary, the independent auditor and to other senior management of the Group at all times in carrying out their functions. The Company Secretary attends or is represented at all meetings of the Board and Board Committees, ensures a good flow of information within the Board and between the Management and Independent Directors, attends to corporate secretariat administration matters, and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Changes to regulations are closely monitored by management and for changes which have an important bearing on the Company or the Directors' disclosure obligations, the Directors are briefed during the Board meetings.

The Directors and the chairman of the respective Board Committees, whether as a group or individually, have the right to seek and obtain independent professional advice as and when necessary, at the expense of the Company, in furtherance of their duties and responsibilities as directors.

2. REMUNERATION MATTERS

2.1 PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises Mr. San Meng Chee (Chairman), Mr. Christopher Chong Meng Tak and Ms. Lee Kim Lian, Juliana, all of whom, including the Chairman, are independent.

The RC functions under a set of written terms of reference which sets out its responsibilities as follows:

(a) To recommend to the Board a framework for remuneration for the Directors and key executives of the Company, and determine the specific remuneration package for each Executive Director;
(b) To review the remuneration package of senior management being the top 5 key management personnel of the Company;
(c) To perform an annual review of the remuneration of employees related to the Directors and controlling shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increase and/or promotions for these employees; and
(d) To review and approve the overall compensation policy of the Company.

All aspects of remuneration, including but not limited to directors' fee, salaries, allowances, bonuses and benefits in kind, will be reviewed by the RC. The recommendations of the RC will be submitted to the Board for endorsement. Each RC member will abstain from voting on any resolution and making any recommendations in respect of his remuneration package. The overriding principle is that no Director should be involved in deciding his own remuneration.

The RC may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management and ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.

The RC has met to consider and review the remuneration packages of the Directors and key management personnel, including those employees related to the Executive Directors and controlling shareholders of the Company. No remuneration consultants were engaged by the Company in FY2015.

2.2 LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel.

The Independent Directors the Company do not have service agreements. They receive Directors' fees, which take into account their contribution and other factors such as effort, time spent and responsibilities. The RC recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors, yet not over-compensate them to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the Company's annual general meeting.

The Executive Directors have service contracts covering the terms of employment, salaries and other benefits. The Executive Directors have an employment term of not more than 3 years and remuneration package consisting of fixed salary, bonus and performance bonus linked to corporate and individual performance.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests to maximise long-term shareholder value. The Forise Performance Share Scheme is administered by the RC with such discretion, powers and duties as are conferred on it by the Board. A member of the RC shall not be involved in the deliberations of the RC in respect of the grant of awards to him.

2.3 DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to its directors and key management personnel, and performance.

Details of remuneration of Directors

The breakdown of remuneration paid to or accrued to each Director for FY2015 is as follows:

Directors	Director Fees %[1]	Salary %	Bonus %	Total %	Total S$'000
Wang Xin[2]	–	80	20	100	50
Peng Weile[2]	–	80	20	100	25
Peng Fei[2]	–	80	20	100	25
Weng Wenwei[3]	40	60	–	100	87
Christopher Chong Meng Tak[2]	100	–	–	100	26
Lee Kim Lian, Juliana	100	–	–	100	77
San Meng Chee	100	–	–	100	77
Chiang, Mike Chia-Peng[4]	100	–	–	100	6

Notes:
(1) The Directors' fees had been approved at the Company's Annual General Meeting held on 30 April 2015.
(2) Appointed on 19 August 2015.
(3) Redesignated from Executive Chairman and CEO to Executive Director on 19 August 2015, redesignated from Executive Director to Non-Executive Director on 12 November 2015, and resigned on 16 March 2016.
(4) Resigned on 19 August 2015.

Details of remuneration of top key management personnel

The Company's staff remuneration policy is based on individual's rank and role, the individual performance, the Group's performance and industry benchmarking gathered from companies in comparable industries. The breakdown of remuneration paid to or accrued to each key management personnel for FY2015 is as follows:

Key Executives Below S$250,000	Salary %	Bonus %	Other benefits %	Total %
Cai An'e	100%	–		100
Zhou Zhen Jie[1]	100%	–		100
Lee Teck Kheng[2]	100%	–		100

Notes:
(1) Resigned on July 2015
(2) Resigned on August 2015

The aggregate total remuneration paid to the top three key executives personnel (who are not directors or the CEO) for FY2015 is approximately RMB1.15 million. Save for the three key management personnel described in the table above, the Company does not have any other key management personnel.

No termination, retirement and post-employment benefits other than payment in lieu of notice in the event of termination were included in the employment contracts of Directors and the top five key management personnel.

Details of remuneration of employees who are immediate family members of a Director

Following the resignation of Mr. Weng Wenwei as Director of the Company, there is no employee of the Group who is an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 for FY2015.

All directors and executives (save for those who are controlling shareholders) are eligible to participate in the Forise Performance Share Scheme, details of which are set out in the Directors' Statement. Pursuant to the above scheme, the Company had on 5th June 2013, granted 8,700,000 shares awards, of which 8,000,000 shares awards were granted to Independent Directors and 700,000 shares awards were granted to selected employees. There are no share awards outstanding as at 31 December 2015, as the relevant Directors and/or employees have either resigned or waived their rights to such share awards.

3. ACCOUNTABILITY AND AUDIT

3.1 ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects

The Board is accountable to shareholders and aims to provide the shareholders with a balanced and understandable assessment of the Group's performance, position and prospects by furnishing timely information and ensuring full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST ("**Listing Manual**"). The Management is responsible to the Board and the Board itself is accountable to the shareholders of the Company. The Board is provided with the management accounts of the Group's performance and position on a quarterly basis.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will also be announced or issued within legally prescribed periods.

3.2 RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance and the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board affirms its overall responsibility for the Group's system of internal controls and risk management. In this regards, the Board:

(a) ensures that Management maintains a sound systems of risk management to safeguard shareholders' interest and the Group's assets;
(b) determines the nature and extend of significant risks that the Board is willing to take in achieving its strategic objective;
(c) determines the Company's levels of risk tolerance and risk policies;

(d) oversees Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational and compliance risk), and ensures that the necessary corrective actions are taken on a timely basis; and
(e) reviews annually the adequacy and effectiveness of the risk management policies and systems, and key internal controls.

There are formal procedures in place for the independent auditor to report on the internal controls and risk management and to make recommendations to Management and to the AC independently in this regard.

The Board reviews the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management. In this respect, the AC reviews the audit plans, and the findings of the independent auditor and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process. The key management personnel will also regularly evaluate, monitor and report to the AC on material risks. While no cost effective internal control system can provide absolute assurance against loss or misstatement, the AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls and systems to ensure that they are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably managed, proper accounting records are maintained and the integrity of financial information used for business and publication are preserved.

For FY2015, the Board also received assurance from the Management (the Company does not have a CEO and a chief financial officer) that the financial records were properly maintained, the financial statements gave a true and fair view of the Company and the Group's operations and finances, and regarding the effectiveness of the company's risk management and internal controls system.

Subsequent to the financial year ended 31 December 2015, the Group has the intention to dispose of its remaining fixed assets and subsidiaries in the contract manufacturing business. Pursuant to Rule 1207 (10) of the Listing Manual and Guideline 11.2 of the Code, based on the existing internal controls maintained by the Group, and taking into account, the cessation of the contract manufacturing operations and the intention to dispose of the excess fixed assets of the contract manufacturing business, leaving the trading business of the Company with a lighter asset base, the Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's internal controls and risk management systems in addressing the current financial, operational, compliance and information technology risks of the Group as at 31 December 2015.

Nevertheless, the Board recognises that the Group's businesses are undergoing certain restructuring, which may result in changes in the business and operational risks of the Group. The Company will, subsequent to the completion of the restructuring of the Group's businesses taking effect (if any), review the Group's existing risk management framework and internal controls in the light of the restructured businesses.

3.3 AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written term of reference which clearly set out its authorities and duties.

The AC comprises Mr. Christopher Chong Meng Tak (Chairman), Ms. Lee Kim Lian, Juliana, and Mr. San Meng Chee, all of whom, including the Chairman, are independent directors.

The AC functions under a set of written terms of reference which sets out its responsibilities as follows:–

(a) To review the scope and results of the audit and its cost effectiveness;
(b) To review significant financial reporting issues and judgements so as to ensure integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
(c) To review the quarterly, half-yearly and full year financial results before submission to the Board for approval;
(d) To review the assistance and co-operation given by Management and the officers of the Group to the auditors;
(e) To review the internal audit programme and ensure co-ordination between the internal auditors and independent auditors and Management;
(f) To review the scope and results of the internal audit procedures and the internal auditors' report;
(g) To discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of management, where necessary);
(h) To review and approve interested person transaction (if any) falling within the scope of Chapter 9 of the Listing Manual, and to ensure that they are carried out on normal commercial terms and in accordance with the internal control procedures;
(i) To review potential conflicts of interests, if any;
(j) To review the independence and objectivity of the independent auditors annually;
(k) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of AC;
(l) To undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
(m) To make recommendations to the Board on the appointment, re-appointment and removal of the independent auditors, and approving the remuneration and terms of engagement of the independent auditors; and
(n) To review the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management.

The AC assists the Board in discharging its responsibility to safeguard assets, maintain adequate accounting records, and develop and maintain effective system of internal controls, with the overall objective of ensuring that management creates and maintains an effective control environment in the Company. The AC provides a channel of communication between the Board of Directors, the Management and the independent auditors of the Company on matters relating to audit.

The AC has the power to conduct or to authorise investigations into any matters within the AC's scope of responsibility. The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the AC will abstain from any deliberations and/or voting in respect of matters in which he is interested.

The AC is given full access to and co-operation of the Management, has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions. It meets with the independent auditors, without the presence of Management, at least once a year.

The AC, has reviewed and noted that there was no non-audit services provided to the Group by the independent auditors, Messrs Nexia TS Public Accounting Corporation ("**Nexia**"), an accounting firm registered with the Accounting and Corporate Regulatory Authority. The AC had recommended the re-appointment of Nexia as independent auditors at the forthcoming AGM. The AC is satisfied that Nexia and the audit engagement team assigned to the audit have adequate resources and experience to meet its obligations. In this connection, the Company has complied with Rule 712 and 715 of the Listing Manual. The fees paid/ payable to Nexia, the independent auditors, for the financial year ended 31 December 2015 was approximately S$100,000.

The AC is keep abreast of changes to accounting standards and issues which may have an impact on the financial statements, by the Management and access to professional resources.

Whistle Blowing Policy

To encourage proper work ethics and deter any wrongdoing within the Group, the Group has established a whistle-blowing policy that seeks to provide a channel for the Group's employees and external parties to raise concerns in good faith and in confidence about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues. The AC will review the issues and/or concerns raised and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by the employees and external parties and for appropriate follow-up actions. Details of the whistle-blowing policies and arrangements have been made available to the Group's employees and external parties. Information received pertaining to whistle blowing will be treated with confidentiality and restricted to the designated persons-in-charge of the investigation to protect the identity and interest of whistleblowers.

3.4 INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Group to safeguard shareholders' investments and the Company's assets. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between the internal auditors, independent auditors and Management, and ensure that the internal auditors meets or exceeds the standards set by nationally or internationally recognised professional bodies in FY2015. The Board reviewed and followed up on the last internal audit report issued by the internal auditors on the then existing contract manufacturing business which had now ceased. Following the change in controlling shareholders from August 2015, and against the proposed diversification into a new businesses and the disposal or discontinuance of the manufacturing component of the Group's garment business, the Board will subsequent to the completion of the restructuring of the Group's business taking effect (if any), review the Group's existing risk management framework and internal controls in the light of the restructured businesses.

4. SHAREHOLDERS RIGHT AND RESPONSIBILITIES

4.1 SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' right, and continually review and update such governance arrangements.

In line with continuous disclosure obligations of the Company, pursuant to the Listing Manual and the Companies Act, Chapter 50 of Singapore, the Board's policy is that shareholders are informed of all major developments that impact the Group regularly and on a timely basis. The Company believes in timely, fair and adequate disclosure of relevant information to the Shareholders and investors so that they will be apprised of the developments that may have a material impact on the price or value of Company's securities. The Company does not practice selective disclosure.

4.2 COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Communication with shareholders is managed by the Board. Pertinent information is communicated to shareholders on a regular and timely basis through the following means:

(a) Results and annual reports are announced or issued within the mandatory period;
(b) Material information are disclosed in a comprehensive, accurate and timely manner via SGXNET and the press; and
(c) The Company's annual and extraordinary general meetings

The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Manual. However, in the event that unpublished material information is inadvertently disclosed to any selected person in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET to disclose and/or address such material information.

The Company welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At shareholders' meetings, shareholders are given the opportunity to communicate their views and to ask the Directors and Management questions regarding the Group. The Company is open to meetings with investors and analysts, and in conducting such meetings, is mindful to ensure fair disclosure.

The Company does not have a fixed dividend policy. The payment of dividend is deliberated by the Board annually having regard to various factors, including the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Where dividends are not paid, the Company discloses the reasons.

4.3 CONDUCT OF SHAREHOLDERS' MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The annual general meeting ("**AGM**") of the Company is a principal forum for dialogue and interaction with all shareholders. The Board encourages shareholders to attend the Company's general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management staff so as to stay informed on the Group's developments. The Directors regard AGMs as an opportunity to communicate directly with shareholders and encourage greater shareholder participation.

All shareholders of the Company receive annual reports and are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Corporations which provide nominee or custodial services can appoint more than two (2) proxies to allow such shareholders who hold shares through such corporations to attend and participate in general meetings as proxies.

The Directors, including the Chairman of each Board and Board Committees will as much as possible be present to address shareholders' questions at the annual general meeting. The Board will also engage in dialogue with shareholders at the AGM, to gather views or inputs and address shareholders' concerns.

The Chairpersons of the AC, RC and NC are normally available at shareholders' meetings to answer those questions relating to the work of these Board Committees. The Company's independent auditors will also be present to address queries by shareholders in respect of its audit opinion. To ensure that all the Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company will henceforth be conducted by poll. The chairman of the meeting, with the assistance of service providers engaged by the Company, will brief shareholders on the procedures involved in voting by poll. An announcement of the detailed results of the poll showing the number of votes cast for and against each resolution and the respective percentages will be announced after the general meeting via SGXNET. Having undertaken a cost/benefit analysis, the Company has decided not to employ electronic polling at this juncture.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

The Company Secretary records minutes of all general meetings and questions and comments from shareholders together with the responses of the Board and Management. These are available to shareholders at their request.

ADDITIONAL INFORMATION

5. MATERIAL CONTRACTS

Save as disclosed in paragraph 7 entitled Interested Party Transactions, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

6. DEALINGS IN SECURITIES

The Company has adopted a policy on dealings in securities in accordance with Rule 1207(19) of the Listing Manual. The Directors and officers are prohibited to deal in the Company's securities, during the period beginning one (1) month and two (2) weeks before the date of the announcement of the full year and quarterly results respectively and ending on the date of the announcement of the relevant results. In addition, the officers of the Company are reminded (i) not to deal with the Company's securities for a short term considerations or if they are in possession of unpublished material price-sensitive information; and (ii) that they are required to report on their dealings in shares of the Company. The Directors and employees are also advised to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

7. INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

During the financial period under review, the Group did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual.

The aggregate value of interested person transactions for the year ended 31 December 2015 is as follows:

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Purchases from Quanzhou Honghao Colour Printing Co., Ltd., a company in which Mr. Weng Wenju owns 50% of the interest. Mr. Weng Wenju is brother of Mr. Weng Wenwei, a former Director and substantial shareholder of the Company.	RMB0.13 million	NA

Mr. Weng Wengwei had, while he was a Director of the Company, provided personal guarantees to secure banking facilities granted by various banks to the Group. No fees were paid or are payable by the Group to Mr. Weng Wengwei in connection with such guarantees.

Disclosure on the status on the use of proceeds raised from Rights Issue as at 31 December 2015

The details of the utilization of proceeds for the rights issue as at 31 December 2015 are as follows:

Intended Used	Amount allocated	Amount utilised
	S$ million	S$ million
To fund new potential investment and business through acquisition, joint venture/or collaboration in business	6.27	–
For general working capital purposes	2.50	0.60
Total	8.77	0.60

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

On 10 December 2015, the Company has changed its name from Great Group Holdings Limited to Forise International Limited.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 35 to 96 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, based on the factors as described in Note 4, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Wang Xin	(appointed on 19 August 2015)
Mr Peng Fei	(appointed on 19 August 2015)
Mr Peng Weile	(appointed on 19 August 2015)
Mr Christopher Chong Meng Tak	(appointed on 19 August 2015)
Ms Lee Kim Lian, Juliana	
Mr San Meng Chee	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than as disclosed under "Performance share plan" in this statement.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee			Holdings in which director is deemed to have an interest		
	At 21.1.2016 ('000)	At 31.12.2015 ('000)	At 1.1.2015 or date of appointment if later ('000)	At 21.1.2016 ('000)	At 31.12.2015 ('000)	At 1.1.2015 or date of appointment if later ('000)
Company						
(No. of ordinary shares)						
Mr Wang Xin	–	–	–	1,130,500	1,130,500	1,130,500
Mr Weng Wenwei*	61,500	61,500	81,500	100,000	260,000	100,000

* Resigned on 16 March 2016

Directors' interests in shares or debentures (continued)

Mr Wang Xin, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the shares of the subsidiary corporations held by the Company.

Warrants

On 20 May 2013, the Company issued 30,000,000 warrants at an issue price of $0.005 for each warrant, each warrant carrying the right to subscribe for one ordinary share in the capital of the Company at an exercise price of S$0.075 for each new share, on the basis of one warrant for one ordinary share. As at 31 December 2014, no warrant was exercised and converted into ordinary share of the Company. The warrants will expire on 18 July 2016.

Subsequently, following the renounceable non-underwritten rights issue of 2,065,000,000 new ordinary shares ("Rights Share") at an issue price of S$0.005 per Rights Share, on the basis of seven Rights Shares for every one existing Share held by the entitled shareholders which was completed on 19 August 2015, the number of warrants was adjusted from 30,000,000 to 128,000,000, to be exercised at an exercise price of S$0.00176 for each new share.

On 6 November 2015, the Company has allotted and issued 10,000,000 new shares to the subscriber pursuant to the exercise of 10,000,000 warrants at an exercise price of S$0.0176 for each new share, resulting in the total shares of the Company increased from 2,120,000,000 to 2,130,000,000. The gross proceeds received by the Company from the exercise of the 10,000,000 warrants are S$176,000.

Performance share plan

<u>Forise Performance Share Scheme</u>

The Forise Performance Share Scheme (the "PSS" or the "Plan") for Executive Directors, Non-Executive Directors (including Independent Directors) and employees of the Group was approved by members of the Company at an Extraordinary General Meeting on 18 June 2009. The PSS is administered by the Remuneration Committee of the Company, comprising three independent directors of the Company, namely, San Meng Chee (Chairman), Christopher Chong Meng Tak and Lee Kim Lian, Juliana. The purpose of the PSS is to provide an opportunity for Directors (including Non-Executive Directors) and employees of the Group, who have met performance targets, to be remunerated not just through cash bonuses but also by an equity stake in the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed to success and development of the Company and of the Group.

Under the PSS, a participant will be awarded the right to receive fully paid shares free of charge (the "Awards"), upon the participant achieving prescribed performance targets. Awards may only be vested, and consequently any shares comprised in such Awards shall only be delivered, upon the committee being satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods. The selection of participant and the number of shares which are the subject of each Award to be granted to a participant in accordance with the PSS shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as rank, job performance, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period. The Remuneration Committee shall decide, in relation to each Award to be granted to a participant; (a) the date on which the Award is to be vested; (b) the number of shares which are the subject of the Award; (c) prescribed performance targets; (d) the performance period during which the prescribed performance targets are to be satisfied; and (e) the extent to which the Company's shares under that award shall be released on the prescribed performance targets being satisfied. Awards may be granted at any time in the course of a financial year.

Performance share plan (continued)

Forise Performance Share Scheme (continued)

The total number of new shares which may be issued pursuant to Awards granted under the PSS shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of awards. Subject to such adjustment as may be made to the PSS as a result of any variation in the capital structure of the Company, no more than 25% of the total number of shares in respect of which the Company may grant Awards under the PSS may be offered in aggregate to the Associates of Controlling Shareholders (as defined in the PSS) and the total number of Shares to be offered to each of its Associates must not exceed 10% of the total number of shares in respect of which the Company may grant Awards in the future.

On 5 June 2013, 8,700,000 performance shares were granted to non-executive directors and employees under the Plan. The vesting of Share awards is subject to achieving pre-determined performance targets over the relevant performance periods. All the Shares Award granted have lapsed as at 31 December 2014.

No participant was granted Shares Award for the financial year ended 31 December 2015 and 2014.

No Performance share was awarded to controlling shareholders of the Company or their associates.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year and at the date of this statement were as follows:

Mr Christopher Chong Meng Tak (Chairman) (appointed on 19 August 2015)
Mr San Meng Chee
Ms Lee Kim Lian, Juliana

The members of the Audit Committee were mainly independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, SGX Listing Manual and the Code of Corporate Governance included the following:

– reviewed the internal auditor's audit plan and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

– reviewed the audit plan of the Company's independent auditor and any recommendation on internal accounting controls arising from the statutory audit;

Audit committee (continued)

– reviewed the assistance given by the Company's management to the independent auditor;

– reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group;

– reviewed the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

– met with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

– evaluated the quality of the works performed by the independent auditor of the Company;

– reviewed the re-appointment of the independent auditor of the Company; and

– reviewed the interested person transactions (as defined in Chapter 9 of the SGX listing manual).

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full authority and the discretion to invite any director and executive officer to attend its meetings. The independent auditor and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of independent auditor and has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Peng Weile
Director

Christopher Chong Meng Tak
Director

12 April 2016

**Independent Auditor's Report to the Members of
Forise International Limited (f.k.a. Great Group Holdings Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of Forise International Limited (f.k.a. Great Group Holdings Limited) (the "Company") and its subsidiary corporations (the "Group") set out on pages 35 to 96, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Independent Auditor's Report to the Members of
Forise International Limited (f.k.a. Great Group Holdings Limited)
(continued)

Emphasis of matter

We draw attention to Note 4 to the financial statements which indicates that the Group incurred total loss of RMB188,882,000 (2014: RMB21,647,000) for the financial year ended 31 December 2015 mainly due to impairment losses recognised for certain assets. Furthermore, the Group's current liabilities exceeded current assets by RMB185,850,000 (2014: RMB49,396,000) as at 31 December 2015. The Group is dependent on short-term bank borrowings to meet its working capital and operating cash flows requirements. As at 31 December 2015, short-term bank borrowings of the Group amounted to RMB233,049,000 (2014: RMB306,387,000). These bank borrowings are significantly higher than the Group's cash and cash equivalents of RMB79,581,000 (2014: RMB113,569,000) as at 31 December 2015 and are due for repayment within twelve months from the balance sheet date.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concern and discharge its liabilities in the ordinary course of business. Nevertheless, the directors of the Group believe that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2015 is appropriate after taking into consideration of the following factors:

1) On 6 April 2016, the Company has entered into a Sale and Purchase Agreement ("SPA") with Weng Wenwei, a former non-executive director of the Company who has resigned on 16 March 2016, to dispose certain subsidiary corporations of the Group, namely Grandus Pte Ltd; Fujian Great Fashion Industry Co Ltd; Quanzhou Great Garments Co., Ltd; Great (Hong Kong) Limited; Grixpro Trading (Xiamen) Co. Limited; Great (Fujian) Textile Technology Co Ltd; Great Worldwide (Trading) Limited; 3W Life Investment Pte Ltd; Fashvacation Pte Ltd; 183 Art Media Pte. Ltd.; and 183 Art Media (Xiamen) Co., Ltd ("collectively referred to the "Sale Entities") to Weng Wenwei for a consideration of S$1.00.

   Upon completion of the disposal, the Group will be able to transfer all the rights and ownership of assets and discharge all obligations of liabilities (including all short term bank borrowings, bills payable and trade financing amounting to RMB233,049,000) of the Sale Entities to Weng Wenwei. Management expects the disposal to be completed within the next twelve months.

2) The existing garments trading business will be able to generate positive cash flows from its operations for the next twelve months.

3) The Group plans to diversify into the business of provision of corporate advisory and management consultation services to corporations. The new executive directors of the Group have vast experiences in this industry and the management expects this new business to be profitable as the directors have strong networks of clientele.

If the Group is unable to continue its operational existence in the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets as current assets. The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified with respect to this matter.

**Independent Auditor's Report to the Members of
Forise International Limited (f.k.a. Great Group Holdings Limited)**
(continued)

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
Director-in-charge: Lee Look Ling
Appointed since financial year ended 31 December 2012

Singapore

12 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Continuing operations			
Sales	5	862	15
Cost of sales		(831)	(28)
Gross profit/(loss)		31	(13)
Other gains, net	6	146	626
Expenses			
– Selling and distribution		–	(859)
– Administrative		(4,048)	(4,604)
– Other operating expenses		(6,449)	(1,985)
Loss before income tax		(10,320)	(6,835)
Income tax expense	9	–	–
Net loss		(10,320)	(6,835)
Discontinued operations			
Loss from discontinued operations	10	(178,562)	(14,812)
Total loss		(188,882)	(21,647)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Loss	25	(287)	–
– Reclassification	25	–	21
Other comprehensive (loss)/income, net of tax		(287)	21
Total comprehensive loss		(189,169)	(21,626)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
(Loss)/profit attributable to:			
– Equity holders of the Company		(188,882)	(22,337)
– Non-controlling interests		–	690
		(188,882)	(21,647)
Loss attributable to equity holders of the Company relates to:			
– Loss from continuing operations		(10,320)	(6,835)
– Loss from discontinued operations		(178,562)	(14,812)
Total comprehensive (loss)/income attributable to:			
– Equity holders of the Company		(189,169)	(22,316)
– Non-controlling interests		–	690
		(189,169)	(21,626)
Losses per share from continuing and discontinued operations attributable to equity holders of the Company (RMB cents per share)	11		
– Basic losses per share			
– Continuing operations		(1.09)	(8.70)
– Discontinued operations		(18.95)	0.27
Diluted losses per share			
– Continuing operations		(1.03)	(8.70)
– Discontinued operations		(17.74)	0.27

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	12	79,581	113,569	38,244	1,047
Trade and other receivables	13	50,007	168,252	–	1,401
Inventories	14	10,949	52,828	–	–
Other current assets	15	1,699	404	401	390
Derivative financial instruments	16	439	2,293	–	–
		142,675	337,346	38,645	2,838
Non-current assets					
Investments in subsidiary corporations	17	–	–	–	47,827
Property, plant and equipment	18	37,721	47,915	122	7
Intangible assets	19	15,433	15,990	–	–
Deposit for machinery and equipment		–	1,463	–	–
		53,154	65,368	122	47,834
Total assets		195,829	402,714	38,767	50,672
LIABILITIES					
Current liabilities					
Trade and other payables	20	93,858	77,838	22,435	18,869
Borrowings	21	233,049	306,387	–	–
Current income tax liabilities		1,618	2,517	–	–
Total liabilities		328,525	386,742	22,435	18,869
NET (LIABILITIES)/ASSETS		(132,696)	15,972	16,332	31,803
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	145,320	104,766	145,320	104,766
Restructuring reserve	24	114,040	114,040	114,040	114,040
Currency translation reserve	25	(109)	178	–	–
Warrant reserve	26	674	727	674	727
Accumulated losses	29	(392,613)	(203,731)	(243,702)	(187,730)
		(132,688)	15,980	16,332	31,803
Non-controlling interests		(8)	(8)	–	–
TOTAL EQUITY		(132,696)	15,972	16,332	31,803

The accompanying notes form an integral part of these financial statements.

FORISE INTERNATIONAL LIMITED (F.K.A. GREAT GROUP HOLDINGS LIMITED) AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to equity holders of the Company									
	Share capital RMB'000	Shares to be issued RMB'000	Restructuring reserve RMB'000	Performance shares RMB'000	Warrant reserve RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
2015										
Beginning of financial year	104,766	–	114,040	–	727	178	(203,731)	15,980	(8)	15,972
Rights issues (Note 23)	39,708	–	–	–	–	–	–	39,708	–	39,708
Warrants reserve exercised (Note 26)	846	–	–	–	(53)	–	–	793	–	793
Total comprehensive loss for the financial year	–	–	–	–	–	(287)	(188,882)	(189,169)	–	(189,169)
End of financial year	145,320	–	114,040	–	674	(109)	(392,613)	(132,688)	(8)	(132,696)
2014										
Beginning of financial year	104,766	3,349	114,040	886	727	157	(182,280)	41,645	295	41,940
Performance shares expense (Note 27)	–	–	–	(886)	–	–	886	–	–	–
Deconsolidation of a subsidiary corporation (Note 12)	–	(3,349)	–	–	–	–	–	(3,349)	(993)	(4,342)
Total comprehensive income/ (loss) for the financial year	–	–	–	–	–	21	(22,337)	(22,316)	690	(21,626)
End of financial year	104,766	–	114,040	–	727	178	(203,731)	15,980	(8)	15,972

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Total loss		(188,882)	(21,647)
Adjustments for:			
– Income tax expense		3,437	5,454
– Amortisation and depreciation		6,849	6,591
– (Gain)/loss on disposal of property, plant and equipment		(5,942)	256
– Loss on deconsolidation of a subsidiary corporation		–	1,030
– Interest expense		9,873	10,092
– Interest income		(3,105)	(2,587)
– Fair value losses/(gains) on derivative financial assets		1,854	(1,476)
– Unrealised currency translation losses		84	166
		(175,832)	(2,121)
Change in working capital			
– Trade and other receivables		127,727	154,376
– Inventories		41,879	5,866
– Other current assets		(1,295)	1,593
– Trade and other payables		16,020	(14,449)
– Provision for restructuring		–	(6,501)
Cash generated from operations		8,499	138,764
Interest received		3,105	2,587
Income tax paid		(4,335)	(5,098)
Net cash provided by operating activities		7,269	136,253
Cash flows from investing activities			
Net cash outflow on deconsolidation of a subsidiary corporation, net of cash deconsolidated	12	–	(198)
Additions to property, plant and equipment	18	(255)	(4,745)
Deposits for machinery and equipment		–	(7)
Proceeds from disposal of property, plant and equipment		2,080	289
Net cash provided by/(used in) investing activities		1,825	(4,661)
Cash flows from financing activities			
Proceeds from rights issues		42,133	–
Right issues expenses		(2,425)	–
Proceeds from warrants exercised		793	–
Proceeds from borrowings		269,195	485,122
Repayment of borrowings		(342,533)	(611,470)
Interest paid		(9,873)	(10,092)
Decrease/(increase) in short-term bank deposits pledged		52,614	(28,893)
Net cash provided by/(used in) financing activities		9,904	(165,333)
Net increase/(decrease) in cash and cash equivalents		18,998	(33,741)
Cash and cash equivalents			
Beginning of financial year		20,190	54,098
Effects on currency translation on cash and cash equivalents		(371)	(167)
End of financial year	12	38,817	20,190

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Group and the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 12 April 2016.

1 Corporate information

Forise International Limited (f.k.a Great Group Holdings Limited (the "Company") is listed on the Singapore Exchange Security Trading Limited and incorporated and domiciled in Singapore. The address of its registered office is 80 Raffles Place, 11-20 UOB Plaza, Singapore 048624. The principal place of business is located at No. 77 Taikang Road, Xiangtang Community, Changtai Street, Licheng District, Quanzhou City, Fujian Province, the People's Republic of China ("PRC").

The principal activities of the Company is investment holding. The principal activities of the subsidiary corporations are disclosed in Note 17.

The Company's immediate holding corporation is Forise Capital Group Limited and ultimate holding corporation is Forise Global Holdings Limited, incorporated in the British Virgin Island.

On 10 December 2015, the Company has changed its name from Great Group Holdings Limited to Forise International Limited.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 and Note 4.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new or the amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2 Summary of significant accounting policies (continued)

2.2 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition

The acquisition method of accounting is used to account for business combination entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2 Summary of significant accounting policies (continued)

2.2 Group accounting (continued)

(a) *Subsidiary* corporations (continued)

(ii) Acquisition (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposal

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2 Summary of significant accounting policies (continued)

2.3 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods – Garments

The Group sells garments through retail stores or dedicated shelf-spaces in shopping malls and wholesalers.

Revenue from sales through retail stores or dedicated shelf-spaces in shopping malls is recognised when the garments are sold to individual end-buyers as there is no right to return the garments once they are sold. Revenue from sale of goods to wholesales is recognised when the Group has delivered the products to its customers and the customers have accepted the products in accordance with the sales contract.

(b) Interest income

Interest income is recognised using the effective interest method.

2.4 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs also include borrowing costs (refer to Note 2.6 on borrowing costs).

(b) Depreciation

Construction in-progress is not depreciated. Depreciation on other items of property, plant and equipment is calculated on a straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Machinery and equipment	5-10 years
Leasehold buildings and workshops	20 years
Furniture & fitting and office equipment	3-5 years
Motor vehicles	5 years

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss within “Other gains, net”.

2.5 Intangible assets

(a) Land-use rights

Land-use rights are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 50 years, which is the shorter of the estimated useful lives and periods of contractual rights.

(b) Acquired computer software licenses

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

2 Summary of significant accounting policies (continued)

2.5 Intangible assets (continued)

(c) Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary corporations and businesses prior to 1 January 2010 represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations, include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction.

2.7 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiary corporations, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2 Summary of significant accounting policies (continued)

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Intangible assets
Investments in subsidiary corporations

Property, plant and equipment, intangible assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2 Summary of significant accounting policies (continued)

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the assets and the purpose for which the assets were acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” (Note 13) and “cash and cash equivalents” (Note 12).

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2 Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

(c) Measurement

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

(d) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Research cost

Research cost is recognised as an expense in profit or loss when incurred.

2.14 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

2 Summary of significant accounting policies (continued)

2.14 Employee compensation (continued)

(a) Defined contribution plans

Singapore

The Company makes contribution to Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contribution to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

People's Republic of China ("PRC")

The subsidiary corporations, incorporated and operating in the PRC, are required to provide certain retirement plan contribution to their employees under the PRC regulations. Contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary corporations' employees. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution retirement plans are recognised as expenses in the period in which the related services are performed.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby certain prescribed performance targets are met and/or upon expiry of prescribe vesting periods.

The fair value of the employee services rendered is determined by reference to the fair value of the share awarded or granted. The amounts is determined by reference to the fair value of the performance shares on the grant date.

The fair value is recognised in profit or loss over the remaining vesting period of the performance shares scheme, with the corresponding increase in equity. The value of charge is adjusted in profit or loss over the remaining vesting period to reflect expected and actual levels of shares vesting, with the adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2 Summary of significant accounting policies (continued)

2.15 Leases

When the Group is the lessee:

The Group leases factories and offices under the operating leases from non-related parties.

Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

2 Summary of significant accounting policies (continued)

2.16 Income taxes (continued)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and have been rounded to the nearest thousand (RMB'000) unless otherwise stated.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "Other gains/(losses), net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 Summary of significant accounting policies (continued)

2.18 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flow, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.21 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2 Summary of significant accounting policies (continued)

2.22 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are presented in the balance sheet as a deferred income, and amortised to profit or loss on the straight-line basis over the estimated useful lives of the relevant assets.

2.23 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of currency forwards are determined using actively quoted forward exchange rates.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Executive Chairman and Executive Directors who makes strategic decisions.

2.25 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss or when the changes arise.

Derivative financial instruments are reported in the financial statements on a net basis where legal right of setoff exists. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

2.26 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary corporation acquired exclusively with a view to resale.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Areas involving a higher degree of judgement or complexity, or area where estimates and assumptions are significant to the financial statements are disclosed below.

(a) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investment in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, CGU, have been determined based on higher of the fair value less costs to sell or value-in-use calculations. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

Impairment of intangible assets (other than goodwill)

The management assessed that there is no indication of impairment on intangible assets (other than goodwill) for the financial years ended 31 December 2015 and 2014 as the fair value less cost to sale valued by an independent third party valuer is higher than the carrying amount.

The carrying amount of intangible assets as at 31 December 2015 is RMB15,433,000 (2014: RMB15,990,000). If the valuation of intangible assets (other than goodwill) had been lowered by 14.9% (2014: 11.7%), the fair value would be equivalent to the carrying amount.

Impairment of property, plant and equipment

As disclosed in Note 10 to the financial statements, all machinery equipment has been disposed as part of the discontinued operations. The remaining items of property, plant and equipment are leasehold buildings and workshops and motor vehicles.

The management assessed that there is no indication of impairment on property, plant and equipment for the financial years ended 31 December 2015 and 2014 as the fair value less cost to sale valued by an independent third party valuer is higher than the carrying amount.

The carrying amount of property, plant and equipment as at 31 December 2015 is RMB37,721,000 (2014: RMB47,915,000). If the valuation of property, plant and equipment had been lowered by 10%, the Group would have reduced the carrying value of property, plant and equipment by RMB Nil (2014: RMB1,631,000).

Impairment of investments in subsidiary corporations

Management assesses impairment of investment in subsidiary corporations whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value-in-use) of the asset is estimated to determine the impairment loss.

3 Critical accounting estimates, assumptions and judgements (continued)

(a) Estimated impairment of non-financial assets (continued)

Impairment of investments in subsidiary corporations (continued)

During the financial year, allowance for impairment of investment in subsidiary corporations of RMB47,827,000 (2014: RMB Nil) was made. The carrying amount of the Company's investments in subsidiary corporations as at 31 December 2015 was RMB Nil (2014: RMB47,827,000).

(b) Net realisable value of inventories

A review is made on inventories, subsequent to cessation of contract manufacturing operations, for excess inventory, obsolescence and declines in net realisable value below cost. These require management to estimate the realisable value of inventories. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The considerations for determining the amount to write-down includes ageing analysis, subsequent utilisation of inventories for unfulfilled orders and subsequent sale of inventories. In general, such an evaluation process requires significant judgement which may materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the inventories at the balance sheet date is disclosed in Note 14.

A write-down in inventories of finished goods and raw materials approximately RMB5,088,000 (2014: RMB1,653,000) and RMB14,730,000 (2014: Nil) respectively in the financial year ended 31 December 2015. A reversal of finished goods written down of RMB1,270,000 was recognised in FY2014. If the management's estimates had been lowered by 10%, the Group would have reduced the net realisable value of inventories by RMB3,077,000 (2014: RMB615,000).

(c) Impairment of trade receivables and advances to suppliers

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments and inability of the suppliers to deliver the goods or to refund the advances paid. If the financial conditions of the customers and suppliers were to deteriorate, resulting in an impairment of their ability to make payments and deliver the goods or refund the advances paid, additional allowances may be required in future periods. Management generally evaluate the adequacy of allowance for impairment for trade receivables and advances to suppliers through analysis of historical bad debt, customer and supplier concentrations, changes in customer payment terms, changes in business environments and suppliers' delivery and refund commitment.

Management reviews its trade receivables and advances to suppliers for objective evidence of impairment at least annually. Significant financial difficulties of the debtor and supplier, the probability that the debtor and supplier will enter bankruptcy, and default or significant delay in payments and deliveries are considered objective evidence that a receivable or an advance to supplier is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor and delivery ability of supplier, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor and supplier operates in. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised in profit or loss. The carrying amounts of trade receivables and advances to suppliers at the balance sheet date are disclosed in Note 13.

3 Critical accounting estimates, assumptions and judgements (continued)

(c) Impairment of trade receivables and advances to suppliers (continued)

If the net present values of estimated cash flows had been higher/lower by 10% (2014: 10%) from management's estimates for all past due receivables and advances to suppliers, the allowance of the Group would have been higher/lower by RMB16,097,000 and RMB11,830,000 (2014: RMB1,378,000 and RMB339,000) for trade receivables and advances to suppliers respectively.

(d) Uncertain tax positions

The Group is subject to income tax in the PRC and significant judgement is required in determining the provision for tax. There are transactions and calculations for which the ultimate tax determination is uncertain ("uncertain tax positions"). The Group recognises provisions for tax based on estimates of the taxes that are likely to become due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax in the period in which such determination is made.

The Group has open tax assessments with the PRC tax authority at the balance sheet date. As management believes that the tax positions are sustainable and the impact would not be significant to the financial statements, the Group has not recognised any additional tax liability on these uncertain tax positions.

4 Going concern assumption

The Group incurred total loss of RMB188,882,000 (2014: RMB21,647,000) for the financial year ended 31 December 2015 mainly due to impairment losses recognised for certain assets. Furthermore, the Group's current liabilities exceeded current assets by RMB185,850,000 (2014: RMB49,396,000) as at 31 December 2015. The Group is dependent on short-term bank borrowings to meet its working capital and operating cash flows requirements. As at 31 December 2015, short-term bank borrowings of the Group amounting to RMB233,049,000 (2014: RMB306,387,000). These bank borrowings are significantly higher than the Group's cash and cash equivalents of RMB79,581,000 (2014: RMB113,569,000) as at 31 December 2015 and are due for repayment within twelve months from the balance sheet date.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's abilities to continue as going concerns and discharge their liabilities in the ordinary course of business. Nevertheless, the directors of the Group believe that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2015 is appropriate after taking into consideration of the following factors:

1) On 6 April 2016, the Company has entered into a Sale and Purchase Agreement ("SPA") with Weng Wenwei, a former non-executive director of the Company who has resigned on 16 March 2016, to dispose certain subsidiary corporations of the Group, namely Grandus Pte Ltd; Fujian Great Fashion Industry Co Ltd; Quanzhou Great Garments Co., Ltd; Great (Hong Kong) Limited; Grixpro Trading (Xiamen) Co. Limited; Great (Fujian) Textile Technology Co Ltd; Great Worldwide (Trading) Limited; 3W Life Investment Pte Ltd; Fashvacation Pte Ltd; 183 Art Media Pte. Ltd.; and 183 Art Media (Xiamen) Co., Ltd ("collectively referred to the "Sale Entities") to Weng Wenwei for a consideration of S$1.00.

   Upon completion of the disposal, the Group will be able to transfer all the rights and ownership of assets and discharge all obligations of liabilities (including all short term bank borrowings, bills payable and trade financing amounting to RMB233,049,000) of the Sale Entities to Weng Wenwei. Management expects the disposal to be completed within the next twelve months.

4 Going concern assumption (continued)

2) The existing garments trading business will be able to generate positive cash flows from its operations for the next twelve months.

3) The Group plans to diversify into the business of provision of corporate advisory and management consultation services to corporations. The new executive directors of the Group have vast experiences in this industry and the management expects this new business is profitable as the directors have strong networks of clientele.

If the Group is unable to continue its operational existence in the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets as current assets. The financial statements do not include any adjustment which may arise from these uncertainties.

5 Sales

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Trading income	862	15

6 Other gains, net

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Bank interest income	46	626
Other	100	–
	146	626

7 Expenses by nature

	Group	
	2015	2014
	RMB'000	RMB'000
Purchases of inventories	831	28
Depreciation of property, plant and equipment (Note 18)	41	33
Bank charges	6	4
Directors' fees	1,027	794
Employee compensation (Note 8)	1,917	2,804
Listing compliance expenses	232	326
Professional and consultancy fees	4,048	1,415
Fees on audit services paid/payable to:		
– Auditor of the Company	459	588
– Other auditors	–	–
Rental expenses on operating leases	633	244
Utilities and office expenses	294	–
Insurance charges	78	–
Other expenses	1,762	1,240
Total cost of sales, selling and distribution, administrative expenses and other operating expenses	11,328	7,476

8 Employee compensation

	Group	
	2015	2014
	RMB'000	RMB'000
Wages and salaries	1,802	2,433
Employer's contribution to defined contribution plans, including Central Provident Fund ("CPF")	115	216
Other short-term benefits	–	155
Amounts attributable to continuing operations (Note 7)	1,917	2,804

9 Income tax expense

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Tax expense attributable to profit is made up of:		
From continuing operations		
– Current income tax – PRC	–	–
From discontinued operations		
– Current income tax – PRC	3,437	3,788
– Under-provision of current income tax in prior financial years	–	1,666
	3,437	5,454
Tax expense is attributable to:		
– continuing operations	–	–
– discontinued operations (Note 10(a))	3,437	5,454
	3,437	5,454

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using PRC's statutory rate of income tax as explained below:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Tax expense is attributable to:		
– continuing operations	(10,320)	(6,835)
– discontinued operations (Note 10(a))	(175,125)	(9,358)
Loss before income tax	(185,445)	(16,193)
Tax calculated at tax rate of 25% (2014: 25%)	(46,361)	(4,048)
Effects of:		
– Different tax rates in other countries	(8,453)	526
– Expenses not deductible for tax purpose	47,630	6,983
– Income not subject to tax	(463)	(902)
– Deferred income tax assets not recognised	11,084	1,426
– Other	–	(197)
	3,437	3,788

9 Income tax expense (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately RMB98,983,000 (2014: RMB54,647,000) as at end of reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date and are not recognised as it is not probable that future taxable profits will be available against which those companies can utilise the benefits.

In FY2014, deferred income tax liabilities of RMB205,000 have not been recognised for the withholding and other taxes that will be payable on the earnings of certain subsidiary corporations when remitted to the holding corporation. These unremitted earnings amounted to RMB241,585,000 and are permanently reinvested in the subsidiary corporations as at end of reporting period.

10 Discontinued operations

On 27 November 2015, 29 November 2015 and 30 November 2015, the Group has disposed the machinery equipment of its production facilities held under the two main manufacturing subsidiary corporations to various third parties, retrenched all production workers. The factors that led to the management’s decision to cease production activities are due to the following reasons:

– years of recurring operating losses arising from highly intensified competition

– continuing deterioration in the business conditions of the garment manufacturing business in the PRC

– rising cost of labour and other business costs

– compressed gross profit margins

Consequently, the Group has reclassified the contract manufacturing business as discontinued operations.

In the financial year ended 31 December 2014, the Group was unable to access the financial information of its subsidiary corporation, Sinex Solutions Limited (“Sinex”) since July 2014 and the Group’s representative on the board of Sinex has resigned with effective from 25 September 2014. In view of these, the Group is deemed to have lost control over Sinex and has formally terminated the acquisition of Sinex on 23 October 2014. Consequently, the Company has deconsolidated the results of Sinex and its results are classified as discontinued operations.

10 Discontinued operations (continued)

The discontinued operations in the financial year ended 31 December 2014 represented discontinued operation of contract manufacturing and disposal of its subsidiary corporation, Sinex Solution Limited.

(a) The results of the discontinued operations are as follows:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Revenue	315,850	378,236
Cost of sales	(297,170)	(351,366)
Gross profit	18,680	26,870
Other gains – net	8,321	5,414
Expenses		
– Selling and distribution	(8,007)	(10,155)
– Administrative	(19,458)	(20,303)
– Other operating expenses	(165,927)	(1,096)
– Finance	(8,734)	(10,088)
Loss before income tax from discontinued operations	(175,125)	(9,358)
Income tax expense	(3,437)	(5,454)
Net loss for the financial year from discontinued operations	(178,562)	(14,812)
Loss attributable to equity holders of the Company relates to:		
– Loss from continuing operations	(10,320)	(6,835)
– Loss from discontinued operations	(178,562)	(14,812)
Total	(188,882)	(21,647)

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Operating cash inflow/(outflow)	57	(36)
Investing cash inflow/(outflow)	2,080	(4,463)
Financing cash outflow	(35,657)	(165,333)
Total cash outflow	(33,520)	(169,832)

11 Loss per share

Basic loss per share are calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. For the purpose of calculating diluted losses per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all potential dilutive ordinary shares.

Performance shares are included from the beginning of the period of FY2014 and included in the calculation of diluted losses per share, however warrants have not been included in the calculation of diluted losses per share because they are anti-dilutive. No adjustment is made to the net loss.

	Group		
	Continuing operations	Discontinued operations	Total
2015			
Net loss attributable to equity holders of the Company (RMB'000)	(10,320)	(178,562)	(188,882)
Weighted average number of ordinary shares outstanding for basic losses per share ('000)	942,493	942,493	942,493
Weighted average number of ordinary shares outstanding for diluted losses per share ('000)	1,006,641	1,006,641	1,006,641
Basic losses per share (RMB cents)	(1.09)	(18.95)	(20.04)
Diluted losses per share (RMB cents)	(1.03)	(17.74)	(18.77)

	Group		
	Continuing operations	Discontinued operations	Total
2014			
Net (loss)/profit attributable to equity holders of the Company (RMB'000)	(23,064)	727	(22,337)
Weighted average number of ordinary shares outstanding for basic (losses)/earnings per share ('000)	265,000	265,000	265,000
Basic and diluted (losses)/earnings per share (RMB cents)	(8.70)*	0.27	(8.43)*

* As loss was recorded in 2014, the dilutive potential shares from performance shares is anti-dilutive and no change is made to the diluted loss per share for continuing operations and total.

12 Cash and cash equivalents

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Cash at bank and on hand	42,849	13,861	1,512	1,047
Short-term bank deposits	36,732	99,708	36,732	–
	79,581	113,569	38,244	1,047

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2015 RMB'000	2014 RMB'000
Cash and bank balances (as above)	79,581	113,569
Less: Bank deposits pledged	(40,764)	(93,379)
Cash and cash equivalents per consolidated statement of cash flows	38,817	20,190

Bank deposits pledged relate to bank balances that the Group has to maintain with the banks for obtaining short-term bank facilities for letters of credit relating to the purchase of raw materials of RMB45,824,000 (2014: RMB85,840,000) (Note 21).

Disposal of subsidiary corporation

On 30 September 2014, the Group deconsolidated its 51% equity interests in Sinex as the Group was considered to have lost control of Sinex. The effects of the deconsolidation on the cash flows of the Group were:

	Group 2014 RMB'000
Carrying amounts of assets and liabilities deconsolidated	
Cash and cash equivalents	198
Trade and other receivables	2,547
Goodwill [Note 19(d)]	12,434
Total assets	15,179
Shares to be issued (Note 28)	3,349
Trade and other payables	739
Purchase consideration (Note 20)	3,049
Contingent consideration (Note 20)	6,040
Total equity and liabilities	13,177
Net assets derecognised	2,002
Less: Non-controlling interests	(993)
Net assets deconsolidated	1,009
The aggregate cash inflows arising from the deconsolidation of Sinex were:–	
Net assets deconsolidated (as above)	1,009
Reclassification of currency translation reserve (Note 25)	21
	1,030
Loss on deconsolidation (Note 10)	(1,030)
Less: cash and cash equivalents in subsidiary corporation deconsolidated	(198)
Net cash outflow on deconsolidation of subsidiary corporation	(198)

13 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
– Non-related parties	184,990	186,249	–	–
Less: Allowance for impairment of trade receivables – Non-related parties [Note 31(b)(ii)]	(160,973)	(137,793)	–	–
Trade receivables – net	24,017	48,456	–	–
Advances to suppliers				
– Non-related parties	133,030	103,222	–	–
	133,030	103,222	–	–
Less: Allowance for impairment of advances to suppliers – Non-related parties [Note 31(b)(ii)]	(118,304)	(3,393)	–	–
	14,726	99,829	–	–
Non-trade receivables				
– Non-related parties	6,910	8,090	–	–
– Subsidiary corporations	–	–	–	1,401
	6,910	8,090	–	1,401
Value added tax receivables	4,354	11,877	–	–
	50,007	168,252	–	1,401

Certain subsidiary corporations of the Group have factored trade receivables to banks in exchange for cash during the financial year ended 31 December 2014. These transactions have been accounted for as collateralised borrowings as the banks have full recourse to the Group in the event of default by the debtors (Note 21).

The non-trade receivables from subsidiary corporations are unsecured, interest-free and are receivable on demand.

14 Inventories

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	3,408	42,794	–	–
Work-in-progress	–	2,485	–	–
Finished goods	7,541	7,549	–	–
	10,949	52,828	–	–

14 Inventories (continued)

The cost of inventories recognised as an expense and included in "cost of sales" amounted to RMB335,275,000 (2014: RMB331,140,000).

The Group recognised a write-down in inventories of approximately RMB19,818,000 (2014: RMB1,653,000), included within Note 10 in the statement of comprehensive income. As disclosed in Note 10 to the financial statements, the Group has ceased production operations and hence has written-down inventories of finished goods and raw materials which were considered obsolete.

Inventories were written down in prior years, amounting to RMB1,270,000 were reversed during the FY2014. These were mainly due to goods sold to third parties at original cost and the amounts have been included in "cost of sales".

15 Other current assets

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Refundable deposits	424	54	401	31
Prepayments	1,275	350	–	359
	1,699	404	401	390

16 Derivative financial instrument

	Group		
	Contract Notional Amount RMB'000	Fair Value Asset RMB'000	Fair Value Liability RMB'000
2015			
Non-hedging instruments			
– Currency forwards	52,340	439	–
2014			
Non-hedging instruments			
– Currency forwards	124,673	2,293	–

Currency forwards

The Group enters into currency forwards to reduce the impact of changes in the foreign currency exchange rate of highly probable forecast transactions denominated in foreign currency. While the currency forwards provide hedging effects as required by the Group's risk management policy, the derivatives do not meet the criteria for hedge accounting under the specific rules in FRS 39 – Financial Instruments: Recognition and Measurement. Fair value changes on these derivatives are recognised in profit or loss when the changes arose.

17 Investments in subsidiary corporations

	Company 2015 RMB'000	Company 2014 RMB'000
Equity investments at cost:		
Beginning and end of financial year	209,975	209,975
Less: Allowance for impairment		
Beginning of financial year	162,148	162,148
Allowance charge	47,827	–
End of financial year	209,975	162,148
Carrying amount		
End of financial year	–	47,827

As at 31 December 2015, the Company carried out a review on the recoverable amounts of its investments in subsidiary corporations. The management is of the view that all the subsidiary corporations are in net liabilities position and ceased the contract manufacturing business as at end of the financial year. The recoverable amount of each of the subsidiary corporations is deemed as nil. The review led to the recognition of an impairment loss of approximately RMB47,827,000 (2014: Nil) that has been recognised in the statement of comprehensive income during the financial year.

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ Incorporation	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by non-controlling interests	
			2015 %	2014 %	2015 %	2014 %
Held by the Company						
Quanzhou Great Garments Co.,Ltd[(a)]	Producing garments, weaving, ribbon, printing, shoes, hats and bags (exporting the commodity which is not related with the management of the export permit quota)[(1)]	The People's Republic of China	100	100	–	–
Fujian Great Fashion Industry Co., Ltd[(a)]	Producing garments, apparel products and weaving[(1)]	The People's Republic of China	100	100	–	–
Great Worldwide (Trading) Limited[(c)]	Sale and distribution of garments and apparel production	The British Virgin Islands	100	100	–	–
Great Holding Limited[(b)]	Sale and distribution of garments and apparel production	Hong Kong	100	100	–	–

(1) On 14 January 2016, the Company has transferred the entire interests in these subsidiary corporations to Grandus Pte. Ltd., a wholly owned subsidiary corporation of the Company.

On 4 February 2016, the principal activities of these subsidiary corporations had been changed to trading of garments, apparel products and weaving following the cessation of production operations in December 2015.

17 Investments in subsidiary corporations (continued)

Name of companies	Principal activities	Country of business/ Incorporation	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by non-controlling interests	
			2015 %	2014 %	2015 %	2014 %
Held by the Company (continued)						
Great (Hong Kong) Limited[b] (formerly known as Grixpro International Trading Limited)	Trading	Hong Kong	100	100	–	–
3W Life Investment Pte Ltd (f) (formerly known as Great International Investments Pte Ltd)	Trading	Singapore	100	100	–	–
Grandus Pte Ltd	Currently dormant	Singapore	100	100	–	–
Held by 3W Life Investment Pte Ltd						
Fashvacation Pte Ltd[f]	Fashion Branding	Singapore	100	100	–	–
Sinex Solutions Limited[e]	Sourcing, procurement and advisory services to the garment and fashion industry	Hong Kong	–	–	–	–
183Art Media Pte Ltd[f]	Other investment holding company	Singapore	51	51	49	49
Held by 183Art Media Pte Ltd						
183Art Media (Xiamen) Pte Ltd[d]	Promotion of arts and culture, creative products design and events management	The People's Republic of China	100	100	–	–

17 Investments in subsidiary corporations (continued)

Name of companies	Principal activities	Country of business/ Incorporation	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by non-controlling interests	
			2015 %	2014 %	2015 %	2014 %
Held by Great Holding Limited						
Great Fashion Trading (Shanghai) Limited[(d)]	Trading of clothes, import and export activities	The People's Republic of China	100	100	–	–
Great Brand Management Limited[(g)]	Brand management and operation	The British Virgin Islands	100	100	–	–
Held by Great (Hong Kong) Limited						
Grixpro Trading (Xiamen) Co., Ltd[(g)]	Wholesale of apparel, footwear, headwear, boxes, fabrics and accessories, as well as the import and export business	The People's Republic of China	100	100	–	–
Great (Fujian) Textile Technology Co., Ltd[(d)]	Production, trading, sales and distribution of textile and apparels	The People's Republic of China	100	100	–	–

(a) Audited by Shanghai Nexia TS CPAS, PRC for Group consolidation purposes.
(b) Reviewed by Nexia TS Public Accounting Corporation, Singapore for Group consolidation purposes.
(c) Audited by Nexia TS Public Accounting Corporation, Singapore for Group consolidation purposes.
(d) Reviewed by Shanghai Nexia TS CPAS, PRC for Group consolidation purposes.
(e) The subsidiary corporation had been deconsolidated in the financial year ended 31 December 2014.
(f) Audited by Nexia TS Public Accounting Corporation, Singapore for local statutory purposes.
(g) No independent auditor has been appointed for FY2014 and FY2015.

Significant restrictions

Cash and short-term deposits of RMB41,168,000 (2014: RMB105,686,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Carrying value of non-controlling interests

	2015 RMB'000	2014 RMB'000
183 Art Media Pte Ltd	(8)	(8)

Management considers that non-controlling interests of the Group is not material, the disclosure of the summarised financial information of subsidiary corporation that has non-controlling interests is not considered necessary.

18 Property, plant and equipment

	Machinery and equipment RMB'000	Leasehold buildings and workshops RMB'000	Furniture & fitting and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Group					
2015					
Cost					
Beginning of financial year	18,347	168,043	7,434	2,977	196,801
Additions	233	–	22	–	255
Disposal/write-off	(18,435)	–	(2,575)	(344)	(21,354)
End of financial year	145	168,043	4,881	2,633	175,702
Accumulated depreciation and impairment					
Beginning of financial year	12,673	127,186	6,711	2,316	148,886
Depreciation charge:					
– continuing operations	–	–	41	–	41
– discontinued operations	1,588	3,460	1,005	198	6,251
Disposal/write-off	(14,116)	–	(2,876)	(205)	(17,197)
End of financial year	145	130,646	4,881	2,309	137,981
Net book value					
End of financial year	–	37,397	–	324	37,721
2014					
Cost					
Beginning of financial year	16,478	167,913	6,669	2,977	194,037
Additions	3,768	130	966	–	4,864
Disposal/write-off	(1,899)	–	(201)	–	(2,100)
End of financial year	18,347	168,043	7,434	2,977	196,801
Accumulated depreciation and impairment					
Beginning of financial year	12,750	123,850	5,706	2,061	144,367
Depreciation charge:					
– continuing operations	–	–	31	–	31
– discontinued operations	1,405	3,336	1,047	255	6,043
Disposal/write-off	(1,482)	–	(73)	–	(1,555)
End of financial year	12,673	127,186	6,711	2,316	148,886
Net book value					
End of financial year	5,674	40,857	723	661	47,915

18 Property, plant and equipment (continued)

Company	Furniture & fitting and office equipment RMB'000
2015	
Cost	
Beginning and end of financial year	117
Additions	163
Disposal	(117)
End of financial year	163
Accumulated depreciation	
Beginning of financial year	110
Depreciation charge – continuing operations	41
Disposal	(110)
End of financial year	41
Net book value	
End of financial year	122
2014	
Cost	
Beginning and end of financial year	117
Accumulated depreciation	
Beginning of financial year	79
Depreciation charge – continuing operations	31
End of financial year	110
Net book value	
End of financial year	7

Bank borrowings of the Group are secured by the leasehold buildings and workshops of the Group with carrying amounts of approximately RMB1,783,000 (2014: RMB1,971,000) (Note 21). There are no terms and conditions stated in the loan agreements relating to this pledge.

In the financial year ended 31 December 2014, the Group acquired property, plant and equipment with an aggregate cost of RMB4,864,000. Cash payments of RMB4,745,000 were made to purchase property, plant and equipment and the balance of RMB119,000 were settled through deposit paid in prior financial year.

As at 31 December 2014, the unutilised deposit for machinery and equipment was RMB1,463,000. The carrying amounts of deposit for machinery and equipment is approximate its fair value.

19 Intangible assets

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Composition:				
Land-use rights	15,357	15,710	–	–
Computer software licenses	76	280	–	–
	15,433	15,990	–	–

(a) Land-use rights

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
Beginning and end of financial year	17,631	17,631	–	–
Accumulated amortisation				
Beginning of financial year	1,921	1,569	–	–
Amortisation charge – discontinued operations	353	352	–	–
End of financial year	2,274	1,921	–	–
Net book value				
End of financial year	15,357	15,710	–	–

The land-use rights represent medium-term land-use rights for plots of land in the PRC.

Bank borrowings of the Group are secured by the land-use rights of the Group with carrying amounts of approximately RMB15,357,000 (2014: RMB15,710,000) (Note 21). There are no terms and conditions stated in the loan agreements relating to this pledge.

19 Intangible assets (continued)

(b) Computer software licenses

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
Beginning and end of financial year	1,020	1,020	3	3
Accumulated amortisation				
Beginning of financial year	740	575	3	3
Amortisation charge – discontinued operations	204	165	–	–
End of financial year	944	740	3	3
Net book value				
End of financial year	76	280	–	–

(c) Amortisation expense included in the statement of comprehensive income is analysed as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Discontinued operations		
Cost of sales	205	153
Selling and distribution expenses	–	12
Administrative expenses	352	352
Total	557	517

(d) Goodwill arising on consolidation

	Group	
	2015	2014
	RMB'000	RMB'000
Beginning of financial year	–	12,434
Goodwill arising on consolidation	–	–
Deconsolidation of a subsidiary corporation	–	(12,434)
End of financial year	–	–

19 Intangible assets (continued)

(d) Goodwill arising on consolidation (continued)

On 31 December 2013, the Company entered into a sale and purchase agreement with Christensen, Jens Fruelund for the purchase of 5,100 shares of Sinex, representing 51% of the issued share capital of Sinex, for an estimated total consideration of US$2,040,000 or equivalent to RMB12,438,000. Sinex was deemed to be a subsidiary corporation of the Group as the Group has the power to govern its financial and operating policies, accordingly the results of Sinex was consolidated into the Group's financial statements and goodwill arising on consolidation of RMB12,434,000 determined provisionally was recognised.

On 23 October 2014, the Company entered into a termination agreement with Christensen, Jens Fruelund to terminate the acquisition of Sinex. Prior thereto, there was loss of control culminating in the resignation of the Group's representative on the board of Sinex in September 2014. Accordingly, the Company has deconsolidated the results of Sinex for the financial period from 1 January 2014 to 25 September 2014 and derecognised the provisional goodwill on consolidation of RMB12,434,000.

20 Trade and other payables

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Trade payables – Non-related parties	45,934	41,927	–	–
Accrued operating expenses				
– Salaries and wages	12,602	17,622	–	449
– Professional fees	1,784	1,954	1,710	1,954
– Directors' fees	599	215	391	215
– Others	712	252	950	197
	15,697	20,043	3,051	2,815
Advances from customers – Non-related parties	15,823	10,820	–	–
Non-trade payables				
– Non-related parties	16,053	5,048	1,102	–
– Related party	351	–	–	–
– Subsidiary corporations	–	–	18,282	16,054
	16,404	5,048	19,384	16,054
	93,858	77,838	22,435	18,869

The non-trade payables to related party and subsidiary corporations are unsecured, interest-free and are payable on demand.

As a result of the deconsolidation of Sinex, the Group has derecognised the outstanding purchase consideration and contingent consideration amounting to RMB3,049,000 and RMB6,040,000 respectively during the financial year ended 31 December 2014 (Note 10).

21 Borrowings

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Current		
Bank borrowings	120,359	90,380
Bills payable	75,111	85,840
Trade financing	37,579	130,167
Total borrowings	233,049	306,387

The borrowings of the Group are exposed to the interest rate changes and the contractual repricing dates at the balance sheet date are as follows:–

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
6 months or less	129,226	199,351
6 – 12 months	103,823	107,036
	233,049	306,387

Bank borrowings of the Group are secured over leasehold buildings and workshops (Note 18) and land-use rights [Note 19(a)] of the Group and joint and several guarantees from a shareholder and its related parties. Bills payable of the Group are secured by certain short-term bank deposits of the Group (Note 12) and corporate guarantee from certain subsidiary corporations. Trade financing of the Group are secured by certain trade receivables (Note 13) and joint and several guarantees from a shareholder and its related parties.

22 Provision for restructuring

During the financial year ended 31 December 2013, the Board of Directors approved a restructuring plan to restructure its contract manufacturing business segment in the PRC due to a decrease in customer demand as a result of the economic crisis. The Group recognised a provision of RMB6,376,000 for expected restructuring costs, including consulting fees and employee termination benefits. Estimated costs were based on the terms of the relevant contracts and compensation agreed with employees. The provision for restructuring has been fully utilised during the financial year ended 31 December 2014.

Movement in provision for restructuring is as follows:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Beginning of financial year	–	6,376
Provision utilised	–	(6,376)
End of financial year	–	–

23 Share capital

	No. of ordinary shares	Amount RMB'000
Group and Company		
2015		
Beginning of the financial year	265,000,000	104,766
Issue of new shares:		
– Rights issue	1,855,000,000	39,708
– Exercise of warrants	10,000,000	846
	2,130,000,000	145,320
2014		
Beginning and end of financial year	265,000,000	104,766

On 18 August 2015, 1,885,000,000 rights shares were allotted and issued by the Company. The net proceeds from the rights shares is $8,741,000 (approximately RMB32,708,000). The New Shares rank pari passu in all respects with the existing shares of the Company.

Pursuant to a Subscription Agreement with SAPO Investment Pte Ltd (the "Subscriber"), the Company has agreed to issue and the Subscriber has agreed to subscribe for 30,000,000 unlisted and non-transferable warrants ("Warrants") of the Company at an issue price of S$0.005 for each Warrant, with each Warrant carrying the right to subscribe for one (1) new ordinary share (the "New Share") of the Company upon exercise of the Warrants by the Subscriber at an exercise price of S$0.075 for each New Share, subject to adjustments in accordance with the terms and conditions of the Warrants. The issue of the Warrants was completed on 19 July 2013. Subsequently, following the renounceable non-underwritten rights issue of 2,065,000,000 new ordinary shares ("Rights Shares") at an issue price of S$0.005 per Rights Share, on the basis of seven (7) Rights Shares for every one (1) existing Share held by the entitled shareholders ("Rights Issue") which was completed on 19 August 2015, the number of Warrants was adjusted from 30,000,000 to 128,000,000, to be exercised at an exercise price of S$0.0176 for each New Share.

On 6 November 2015 allotted and issued 10,000,000 New Shares to the Subscriber pursuant to the exercise of 10,000,000 Warrants at an exercise price of S$0.0176 for each New Share on 30 October 2015, resulting in the total issued Shares of the Company increasing from 2,120,000,000 to 2,130,000,000. The gross proceeds received by the Company from the exercise of the 10,000,000 Warrants are S$176,000. The New Shares rank pari passu in all respects with the existing Shares of the Company.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

24 Restructuring reserve

Business combination involving entities under common control are accounted for under the "pooling-of-interest" method. The acquisitions of the subsidiary corporations by the Company were pursuant to the Restructuring Exercise in connection with the listing of the Company on the SGX-ST.

The restructuring reserve represents the differences between the cost of investment and nominal value of share capital of the merged subsidiary corporations. The restructuring reserve is non-distributable.

25 Currency translation reserve

	Group	
	2015 RMB'000	2014 RMB'000
Beginning of financial year	178	157
Reclassification on deconsolidation of a subsidiary corporations (Note 12)	–	21
Net currency translation differences of financial statements of foreign subsidiary corporations	(287)	-
End of financial year	(109)	178

Currency translation reserve is non-distributable.

26 Warrant reserve

On 20 May 2013, the Company issued 30,000,000 warrants at an issue price of S$0.005 for each warrant for a total of S$150,000 (or equivalent to RMB727,000). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.075 for each new share totaling S$2,250,000 (or equivalent to RMB10,439,000), on the basis of one warrant for one share of the Company.

The value of the warrants is credited as a reserve in equity under warrant reserve and an appropriate amount is transferred to the share capital as and when the warrants are exercised. The warrant exercise period starts from 1 January 2014 and expires on 18 July 2016.

On 6 November 2015, the warrant holder SAPO Investment Pte Ltd ("SAPO") had exercised 10,000,000 warrants of S$0.0176 per warrant and the Company has issued 10,000,000 ordinary shares to SAPO for the warrants exercised.

In FY2014, no warrant was exercised and converted into ordinary share of the Company.

The number of warrants outstanding as at 31 December 2015 was 118,000,000 (2014: 30,000,000).

Warrant reserve is non-distributable.

27 Performance shares

The Forise Performance Share Scheme (the "PSS" or the "Plan") was approved by members of the Company at an Extraordinary General Meeting on 18 June 2009 under which awards (the "Award") of fully-paid shares, will be issued free of charge, to the Directors (including Non-Executive Directors) and employees of the Group, provided that certain prescribed performance targets are met and/or upon the prescribed vesting periods.

On 5 June 2013, 8,700,000 performance shares were granted to Non-Executive Directors and employees under the Plan. The vesting of the share awards is subject to achieving pre-determined performance targets over the relevant performance periods. The fair value of the performance shares was determined to be RMB886,000 based on the market price of the Company's share at the grant date. The shares vest over one year from the grant date. As mentioned previously, all the shares awards granted have lapsed as at 31 December 2014.

Movements in the number of performance shares during the financial year were as follows:

Grant date	Outstanding at 1 January 2015 ('000)	Granted ('000)	Vested and released ('000)	Cancelled ('000)	Outstanding at 31 December 2015 ('000)
5 June 2013	–	–	–	–	–

Grant date	Outstanding at 1 January 2014 ('000)	Granted ('000)	Vested and released ('000)	Cancelled ('000)	Outstanding at 31 December 2014 ('000)
5 June 2013	8,700	–	–	(8,700)	–

28 Shares to be issued

On 31 December 2013, the Company entered into a sale and purchase agreement ("Agreement") with Christensen Jens Fruelund ("Jens" of the "Vendor") for the acquisition of 51% equity interests in Sinex for a total consideration of US$2.04 million (equivalent to RMB12,438,000). Part of the consideration will be settled via the issuance of 10,000,000 new ordinary shares of the Company ("Consideration Shares") which is payable upon the transfer of legal shareholdings of Sinex to the Group. The Consideration Shares at a fair value of S$0.07 each, amounting to S$700,000 (or approximately RMB3,349,000) to be issued subsequent to 31 December 2013 has been accounted for as equity instruments under shareholders' funds as "Shares to be issued" (Note 34).

As a result of deconsolidation of Sinex, the Group has derecognised the shares to be issued. Movements in the shares to be issued during the financial year were as follows:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Beginning of financial year	–	3,349	–	3,349
Deconsolidation of a subsidiary corporation (Note 12)	–	(3,349)	–	(3,349)
End of financial year	–	–	–	–

29 Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2015	2014
	RMB'000	RMB'000
Beginning of financial year	(187,730)	(181,852)
Net loss – continuing operations	(55,972)	(5,878)
End of financial year	(243,702)	(187,730)

30 Commitments and contingencies

Commitments

(i) *Operating lease commitments – where the Group and the Company are the lessees*

The Group and the Company lease office, factories and warehouses from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Not later than one year	1,676	44	1,676	41
More than one year	1,117	–	1,117	–

(ii) *Capital commitments*

The Company has on 6 May 2013 signed a License Agreement with SAPO investment Pte Ltd (the "Licensor"), pursuant to which the Company has been granted a license by the Licensor to perform a show for total license fee of S$2,000,000 (or equivalent to RMB9,694,000). On 5 August 2013, the Licensor novated its obligations under the License Agreement to DSAFF (Singapore) Pte. Ltd ("DSAFF Singapore"). The license is valid till 31 December 2013 which was extended to 31 December 2014 pursuant to Amendment Agreement signed on 31 December 2013.

On 18 November 2014, the Company through its legal counsel notified the Licensor of its rights to terminate the Amendment Agreement which expired on 18 December 2014. Pursuant to the clause 8.2 of the License Agreement, the Company is considered to have properly terminated the License Agreement and is not obliged to pay the remaining license fee. As at 31 December 2013, the amounts contracted for but not recognised in the financial statements amount to S$1,700,000 (or equivalent to RMB8,239,000).

30 Commitments and contingencies (Continued)

Commitments (continued)

(ii) *Capital commitments* (continued)

On 3 June 2015, the Company entered into a settlement agreement with DSAFF Singapore, pursuant to which the Company and DSAFF Singapore agree that the Company shall pay DSAFF Singapore a total sum of S$200,000, as full and final settlement. The Company has fully paid the final settlement sum on 27 August 2015.

31 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

(a) Market risk

(i) *Currency risk*

The Group operates in the PRC with most of the transactions settled in RMB. However, the Group sells to overseas customers mostly in United States Dollar ("USD"), it is therefore exposed to currency risk. In addition, the Group is exposed to currency translation risk on the net assets of the Group's operations outside the PRC. To manage the currency risk, the Group enters into currency forwards with local banks.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United State Dollar ("USD") and Hong Kong Dollar ("HKD"). To manage the currency risk, individual Group entities enter into currency forwards with Group Treasury. Group Treasury in turn manages the overall currency exposure mainly by entering into currency forwards with banks.

The Group's risk management policy is to hedge between 30% to 50% of highly probable forecast transactions (mainly export sales and collection in USD) in the next three to twelve months. The management monitors the requirement to enter into currency forward agreements based on the current exchange rates between USD and RMB taking into considering the quotation from local banks, past trends and anticipated fluctuation in the exchange rates and current PRC and world market conditions.

31 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

Group	RMB RMB'000	USD RMB'000	SGD RMB'000	HKD RMB'000	Total RMB'000
At 31 December 2015					
Financial assets					
Cash and cash equivalents	41,094	200	38,269	18	79,581
Trade and other receivables	19,548	15,733	–	–	35,281
Other financial assets	–	–	401	23	424
Derivative financial assets	–	439	–	–	439
	60,642	16,372	38,670	41	115,725
Financial liabilities					
Borrowings	233,049	–	–	–	233,049
Other financial liabilities	62,829	11,053	4,153	–	78,035
	295,878	11,053	4,153	–	311,084
Net financial liabilities	(235,236)	5,319	34,517	41	(195,359)
Add: Net non-financial assets	71,777	(9,236)	122	–	62,663
Net assets/(liabilities)	(163,459)	(3,917)	34,639	41	(132,696)
Add: Currency forwards	–	52,340	–	–	52,340
Currency profile including non-financial assets/ (liabilities)	(163,459)	48,423	34,639	41	(80,356)
Currency exposure of financial assets/(liabilities), net of those denominated in the respective entities' functional currencies	–	48,423	34,639	41	83,103

31 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

Group	RMB RMB'000	USD RMB'000	SGD RMB'000	HKD RMB'000	Total RMB'000
At 31 December 2014					
Financial assets					
Cash and cash equivalents	105,118	7,247	1,130	74	113,569
Trade and other receivables	51,367	5,179	–	–	56,546
Other financial assets	31	–	–	23	54
Derivative financial assets	–	2,293	–	–	2,293
	156,516	14,719	1,130	97	172,462
Financial liabilities					
Borrowings	248,626	57,761	–	–	306,387
Other financial liabilities	64,046	14	2,958	–	67,018
	312,672	57,775	2,958	–	373,405
Net financial liabilities	(156,156)	(43,056)	(1,828)	97	(200,943)
Add: Net non-financial assets/(liabilities)	226,984	(10,076)	7	–	216,915
Net assets/(liabilities)	70,828	(53,132)	(1,821)	97	15,972
Add: Currency forwards	–	124,673	–	–	124,673
Currency profile including non-financial assets/(liabilities)	70,828	71,541	(1,821)	97	140,645
Currency exposure of financial assets/(liabilities), net of those denominated in the respective entities' functional currencies	–	71,541	(1,821)	97	(69,817)

31 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

Company	RMB RMB'000	SGD RMB'000	Total RMB'000
At 31 December 2015			
Financial assets			
Cash and cash equivalents	–	38,244	38,244
Other receivables	–	401	401
	–	38,645	38,645
Financial liabilities			
Other financial liabilities	–	(22,435)	(22,435)
Net financial assets	–	16,210	16,210
Add: Net non-financial assets	122	–	122
Currency profile including non-financial assets	122	16,210	16,332
Currency exposure of financial assets, net of those denominated in the Company's functional currency	–	16,210	16,210

31 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

Company	RMB RMB'000	SGD RMB'000	Total RMB'000
At 31 December 2014			
Financial assets			
Cash and cash equivalents	–	1,047	1,047
Other receivables	1,401	–	1,401
Other financial assets	–	31	31
	1,401	1,078	2,479
Financial liabilities			
Other financial liabilities	15,704	3,165	18,869
Net financial liabilities	(14,303)	(2,087)	(16,390)
Add: Net non-financial assets	47,827	366	48,193
Currency profile including non-financial assets	33,524	(1,721)	31,803
Currency exposure of financial liabilities, net of those denominated in the Company's functional currency	–	(1,721)	(1,721)

31 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD and SGD changes against the RMB by 6% and 1%(2014: 6% and 2%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the net profit and equity of the Group and the Company will be as follows:

	Increase/(Decrease)			
	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
USD against RMB				
– Weakened	(2,179)	(3,219)	–	–
– Strengthened	2,179	3,219	–	–
SGD against RMB				
– Weakened	(260)	(27)	–	–
– Strengthened	260	27	–	–

If HKD change against the RMB by 6% (2014: 1%) respectively with all other variable including tax rate being held constant, the effects arising from the net financial liability/asset position to the net profit and equity of the Group and the Company will not be significant.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's interest rate risk mainly arises from bank borrowings at fixed interest rates. The Group manages its interest rate risk by keeping bank borrowings to the minimum requirement to sustain the operations of the Group.

If the interest rates increase/decrease by 1% (2014: 1%) with all other variables including tax rate being held constant, the net profit of the Group would have been lower/higher by RMB2,697,000 (2014: RMB1,686,000) as a result of higher/lower interest expenses on these borrowings.

31 Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For advances to suppliers which related to refundable deposits paid to secure the pricing and order of inventories, the Group assesses the creditworthiness and quality of the suppliers prior to placing orders. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits and terms that are approved by the Executive Directors. In assessing the credit limits and terms granted, the Group considers the nature of the contract, creditworthiness, payment history and the relationship with the customers. In order to manage the credit risk, the Group purchase insurance from reputable insurance company in the PRC.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented as at end of reporting period. The Group's major classes of financial assets are trade receivables, advances to suppliers and cash and cash equivalents.

The trade receivables of the Group comprise 3 debtors (2014: 3 debtors) that individually represented >10% (2014: >10%) of trade receivables.

The advances to suppliers of the Group comprise 1 supplier (2014: 1 supplier) that individually represented > 60% (2014: > 40%) of advances to suppliers.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
By types of customers				
Non-related parties				
– Multi-national companies	13,510	18,720	–	–
– Other companies	10,507	29,736	–	–
	24,017	48,456	–	–

31 Financial risk management (continued)

(b) Credit risk (continued)

The credit risk for trade receivables based on the information provided to key management is as follows (continued):

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
By geographical areas				
People's Republic of China	19,377	31,135	–	–
France	830	5,863	–	–
Sweden	499	4,337	–	–
Canada	–	1,886	–	–
Netherlands	–	1,358	–	–
Russia	–	1,010	–	–
Denmark	–	894	–	–
Germany	2,259	–	–	–
Other countries	1,052	1,973	–	–
	24,017	48,456	–	–

The credit risk for advances to suppliers based on the information provided to key management is as follows:

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
By types of suppliers				
Non-related parties				
– Other companies	14,726	99,829	–	–
By geographical areas				
People's Republic of China	14,726	99,829	–	–

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables and advances to suppliers that are neither past due nor impaired are substantially companies with a good collection track record and good supply record with the Group. The Group has no trade receivables and advances to suppliers past due or impaired that were re-negotiated during the financial year.

31 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and advances to suppliers.

Trade receivable – Non-related parties

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Past due less than 3 months	2,861	16,865		–
Past due 3 to 6 months	11,258	962		–
	14,119	17,827		–

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Past due 3 to 6 months	11,258	962	–	–
Past due over 6 months	173,732	137,644	–	–
	184,990	138,606	–	–
Less: Allowance for impairment	(160,973)	(137,793)	–	–
	24,017	813	–	–
Beginning of financial year	137,793	136,905	–	–
Allowance made (Note 7)	23,180	2,302	–	–
Allowance written-back (Note 7)	–	(1,414)	–	
End of financial year (Note 13)	160,973	137,793	–	–

The allowance for impairment on trade receivables arose mainly from sales to customers and distributors of which the balances have been long overdue and have defaulted on the payments, thus higher potential collectability issues.

31 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

Advances to suppliers – Non-related parties

The age analysis of advances to suppliers past due but not impaired is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Past due less than 2 months	28,643	47,354	–	–
Past over 2 months	90,204	29,228	–	–
	118,847	76,582	–	–

The carrying amount of advances to suppliers individually determined to be impaired and the movement in the related allowances for impairment are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Past due over 2 months	118,847	76,582	–	–
Less: Allowance for impairment	(118,304)	(3,393)	–	–
	543	73,189	–	–
Beginning of financial year	3,393	3,568	–	–
Allowance made	114,911	1,603	–	–
Allowance written-back	–	(1,778)	–	–
End of financial year (Note 13)	118,304	3,393	–	–

The allowance for impairment on advances to suppliers arose mainly from advances to suppliers of which the balances have not been utilised or refunded for more than one year as at end of reporting period.

31 Financial risk management (continued)

(c) Liquidity risk

The Group manages the liquidity risk by maintaining sufficient cash and cash equivalents, and adequate amount of committed credit facilities to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Less than one year				
Trade and other payables	78,035	67,018	22,435	18,869
Borrowings	233,049	306,387	–	–
	311,084	373,405	22,435	18,869

The table below analyses the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Less than one year				
Gross-settled currency forward				
– Receipts	52,340	124,673	–	–
– Payments	(51,901)	(122,380)	–	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are not required by the banks to maintain financial ratios. In view of the higher working capital requirement and reduction in the performance of the business, the Group and the Company have changed their strategies regarding gearing ratios to not more than 100%. Management will review the gearing ratios regularly based on operations and performance of the Group.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

31 Financial risk management (continued)

(d) Capital risk (continued)

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt	247,326	270,656	–	17,822
Total equity	(132,696)	15,972	16,332	31,803
Total capital	114,630	286,628	16,332	49,625
Gearing ratio	NM*	94%	NM*	36%

* *NM = Not meaningful*

The Group has no externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2014.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of currency forward contracts is determined using quoted forward currency rates as at end of reporting period. This investment is classified as Level 2.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying amount of current borrowings approximates the fair value.

(f) Financial instruments by category

The carrying amount of financial instruments other than those disclosed on the face of balance sheet and Note 16 to the financial statements is as follows:

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Loans and receivables	115,725	172,462	38,645	2,479
Financial liabilities at amortised cost	311,084	373,405	22,435	18,869

32 Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following related party transactions took place between the Group and related parties at terms agreed between the parties:

(i) Sales and purchase of goods and services

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Services received from other related parties	130	880

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2014, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date are disclosed in Notes 13 and 20 respectively.

(ii) Key management personnel compensation (representing compensation to directors and executive officers of the Group) is as follows:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Wages and salaries	1,802	2,745
Directors' fees	1,027	794
Employer's contribution to defined contribution plans including CPF	115	134
Other short-term benefits	–	183
	2,944	3,856

Included in the above is total compensation to directors of the Company amounted to RMB1,503,000 (2014: RMB1,792,000).

33 Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Chairman and Executive Directors that are used to make strategic decisions.

The Executive Chairman and Executive Directors consider the business from both geographical and business segment perspectives. Geographically, management manages and monitors the business mainly in the People's Republic of China. From a business segment perspective, following the deconsolidation of Sinex and restructuring of existing business segment, the Group's continuing operations derives its revenue solely from Contract manufacturing, i.e. manufacturing and sale of garments (including the Group's propriety brand, GRAT.UNIC) directly to local and overseas major retail chains and/or owners of international brand. Other service within Singapore mainly relates to investment holding and is not included within the reportable operations segments as it is not included in the segment reports provided to the Executive Chairman and Executive Directors. The result of its operations is included under "All other segment".

33 Segment information (continued)

During the financial year ended 31 December 2015, the Group has ceased the contract manufacturing business, disposed all machinery and equipment and retrenched all production workers. Hence, management has classified the contract manufacturing business as "Discontinued operations".

As a result of the reclassification, the Group has restated the business segments for financial year ended 31 December 2014 to reflect the newly reportable segments and to align with current financial year's presentation.

2015	All other Segments – Continuing Operations RMB'000	Total for Continuing Operations RMB'000
Sales		
Sales to external parties	862	862
Gross profit	31	31
Other gains, net	146	146
Administrative expenses	(4,048)	(4,048)
Other operating expenses	(6,449)	(6,449)
Loss before income tax	(10,320)	(10,320)
Income tax expense	–	–
Net loss	(10,320)	(10,320)
Net loss includes:		
– Depreciation of property, plant and equipment	41	41
– Inventories written-down	10	10
Segment assets	39,812	195,829
Segment assets includes:		
Additions to:		
– property, plant and equipment	255	255
Segment liabilities	328,525	328,525

33 Segment information (continued)

2014	All other Segments – Continuing Operations RMB'000	Total for Continuing Operations RMB'000
Sales		
Sales to external parties	15	15
Gross profit	(13)	(13)
Other gains, net	626	626
Selling and distribution expenses	(859)	(859)
Administrative expenses	(4,604)	(4,604)
Other operating expenses	(1,985)	(1,985)
Loss before income tax	(6,835)	(6,835)
Income tax expense	–	–
Net loss	(6,835)	(6,835)
Net loss includes:		
– Depreciation of property, plant and equipment	31	31
Segment assets	93,471	93,471
Segment assets includes:		
Additions to:		
– property, plant and equipment	4,864	4,864
– deposit for machinery and equipment	1,463	1,463
Segment liabilities	386,742	386,742

The revenue from external parties reported to the Executive Chairman and Executive Directors is measured in a manner consistent with that in the statement of comprehensive income.

33 Segment information (continued)

The Executive Chairman and Executive Directors assess the performance of the operating segments based on gross profit. Segment results represent the profit earned by each segment without allocation of selling and distribution expenses, administration expenses, other losses/gains, finance expenses and income tax expense. This is the measure reported to the Executive Chairman and Executive Directors for the purposes of resource allocation and assessment of segment performance.

Reconciliation

(a) A reconciliation of gross profit/(loss) to loss before income tax is provided as below:

	Group	
	2015	**2014**
	RMB'000	**RMB'000**
Gross profit/(loss) for reportable segments	31	(13)
Other gains, net	146	626
Administrative expenses	(4,048)	(859)
Other operating expenses	(6,449)	(4,604)
Finance expenses	–	(1,985)
Loss before income tax	(10,320)	(6,835)

(b) Reportable segments' assets are reconciled to total assets as follows:

The amounts reported to the Board of Directors with respect to the total assets are measured in a manner consistent with that of the financial statements. Hence, no reconciliation is provided.

(c) Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts reported to the Board of Directors with respect to the total liabilities are measured in a manner consistent with that of the financial statements. Hence, no reconciliation is provided.

Revenue from major products and major customers

Revenues from external customers are derived solely from the sale of goods under trading business segment as disclosed in Note 5.

Revenues of RMB862,000 (2014: RMB15,000) are derived from a single external customers. These revenues are attributable to the "all other segments".

33 Segment information (continued)

Geographical information

The Group's sole business segment generated its revenue from the following main geographical areas based on customers' locations:

	2015 RMB'000	2014 RMB'000
By geographical areas		
People's Republic of China	862	15
	862	15

Non-current assets of the Group (other than goodwill) amount to RMB47,654,000 (2014: RMB65,368,000) are located in the People's Republic of China.

34 Events after balance sheet date

(a) Incorporation of a wholly owned subsidiary corporation

On 17 February 2016, the Company has incorporated a wholly owned subsidiary corporation in Hong Kong, known as Forise Management Limited, with issued and paid up share capital of HK$10,000.

The incorporation of a subsidiary corporation is not expected to have a significant financial effect on the Group in the next financial year.

(b) Disposal of subsidiary corporations

On 6 April 2016, the Company has entered into a Sale and Purchase Agreement ("SPA") with Weng Wenwei, a former non-executive director of the Company who has resigned on 16 March 2016, to dispose certain subsidiary corporations of the Group, namely Grandus Pte Ltd; Fujian Great Fashion Industry Co Ltd; Quanzhou Great Garments Co., Ltd; Great (Hong Kong) Limited; Grixpro Trading (Xiamen) Co. Limited; Great (Fujian) Textile Technology Co Ltd; Great Worldwide (Trading) Limited; 3W Life Investment Pte Ltd; Fashvacation Pte Ltd; 183 Art Media Pte. Ltd.; and 183 Art Media (Xiamen) Co., Ltd ("collectively referred to the "Sale Entities") to Weng Wenwei for a consideration of S$1.00, subject to the terms and conditions set out in the SPA are being fulfilled.

35 Comparative figures

Certain comparative figures have been reclassified to conform with current year financial statement presentation.

36 New or revised accounting standards and interpretations

Below are the mandatory accounting standards and amendments to existing accounting standards that have been published and relevant for the Group's accounting periods beginning on or after 1 January 2016 which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2016
– FRS 114 Regulatory Deferral Accounts
– Amendments to FRS 1: Disclosure Initiative
– Amendments to FRS 27 Equity Method in Separate Financial Statements
– Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
– Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception
– Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations
– Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants

– Improvements to FRSs (November 2014)
– FRS 107 Financial Instruments: Disclosures
– FRS 19 Employee Benefits
– FRS 105 Non-current Assets Held for Sale and Discontinued Operations
– FRS 34 Interim Financial Reporting

Effective for annual period beginning on or after 1 January 2018
– FRS 109 Financial Instruments
– FRS 115 Revenue from Contracts with Customers

*Effective date: to be determined**
– Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore (ASC) in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.*

The management anticipate that the adoption of the above FRS's and amendments to FRS in the future period will not have material impact on the financial statements of the Group and of the Company in the period of initial adoption.

SHAREHOLDING STATISTICS AS AT 22 MARCH 2016

For the financial year ended 31 December 2015

DISTRIBUTION OF SHAREHOLDINGS

No. of Shares issued : 2,130,000,000
Class of Shares : Ordinary Shares
Voting Rights : One vote per share

SIZE OF SHAREHOLDINGS	NO OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	37	6.34	15,700	0.00
1,001 – 10,000	94	16.09	642,400	0.03
10,001 – 1,000,000	395	67.64	74,111,500	3.48
1,000,001 – AND ABOVE	58	9.93	2,055,230,400	96.49
TOTAL	584	100.00	2,130,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	1,131,525,900	53.12
2	DBS NOMINEES (PRIVATE) LIMITED	325,873,200	15.30
3	UOB KAY HIAN PRIVATE LIMITED	213,127,704	10.01
4	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	54,742,300	2.57
5	HONG LEONG FINANCE NOMINEES PTE LTD	36,750,000	1.73
6	TEOH TEIK KEE	21,462,000	1.01
7	OCBC SECURITIES PRIVATE LIMITED	20,323,600	0.95
8	BANK OF SINGAPORE NOMINEES PTE. LTD	20,005,000	0.94
9	PHILLIP SECURITIES PTE LTD	16,108,796	0.76
10	WENG WENJU	15,680,000	0.74
11	WENG JINDAO	15,280,000	0.72
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	14,700,000	0.69
13	GOH JUI HOO	13,529,900	0.64
14	KWEK SWEE HENG	13,200,000	0.62
15	HUANG FANGXUE	11,920,000	0.56
16	CHEW LEOK CHUAN	7,500,000	0.35
17	NG CHEE CHOON	6,700,000	0.31
18	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,680,000	0.31
19	CHEW LEY GUAT CATHERINE	5,800,000	0.27
20	JOHN QUEK CHENG HUAT	5,489,400	0.26
	TOTAL	**1,956,397,800**	**91.86**

SHAREHOLDING STATISTICS AS AT 22 MARCH 2016

For the financial year ended 31 December 2015

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 22 March 2016

			No of Ordinary Shares	
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**
Wang Xin[(1)]	–	–	1,130,500,000	53.08
Forise Capital Group Limited	1,130,500,000	53.08	–	–
Forise Global Holdings Limited[(1)]	–	–	1,130,500,000	53.08
Weng Wenwei[(2)]	61,500,000,000	2.89	100,000,000	4.69

Notes:

(1) Forise Global Holdings Limited is deemed to be interested in the 1,130,500,000 Shares held by Forise Capital Group Limited by virtue of its interest in 100% of the shares of Forise Capital Group Limited. Wang Xin is also deemed to be interested in the 1,130,500,000 Shares held by Forise Capital Group Limited by virtue of his interest in 100% of the shares of Forise Global Holdings Limited. Registered in the name of Raffles Nominees (Pte) Limited.

(2) Weng Wenwei is deemed to be interested in the 100,000,000 Shares held by G&W Investment Management Co., Ltd (“G&W”) by virtue of his interest in 100% of the shares of G&W. Registered in the name of DBS Nominees (Private) Limited.

FREE FLOAT

As at 22 March 2016, approximately 39.34% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company)

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2015

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of **Forise International Limited** (the "**Company**") will be held at 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807 on Friday, 29th day of April 2016 at 2.30 p.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 December 2015 together with the Directors' Statement and Auditors' Report thereon.
   Resolution 1

2. To approve the payment of Directors' Fees of S$200,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears (2015: S$200,000.00).
   Resolution 2

3. To re-elect Mr. Wang Xin who is retiring under Article 117 of the Articles of Association, as Director of the Company.
   Resolution 3

4. To re-elect Mr. Peng Weile who is retiring under Article 117 of the Articles of Association, as Director of the Company.
   Resolution 4

5. To re-elect Mr. Peng Fei who is retiring under Article 117 of the Articles of Association, as Director of the Company.
   Resolution 5

6. To re-elect Mr. Christopher Chong Meng Tak who is retiring under Article 117 of the Articles of Association, as Director of the Company.
   [See Explanatory Note (i)] Resolution 6

7. To re-elect Mr. San Meng Chee who is retiring under Article 107 of the Articles of Association, as Director of the Company.
   [See Explanatory Note (ii)]
   Resolution 7

8. To re-appoint Messrs Nexia TS Public Accounting Corporation, as the Auditors of the Company and to authorise the Directors to fix their remuneration.
   Resolution 8

9. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as Ordinary Resolution:–

10. General mandate to allot and issue new shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**"), authority be and is hereby given to the Directors of the Company to:–

(A) (i) issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have been ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares) in the capital of the company at the (as calculated in accordance with sub-paragraph (ii) below); and

(ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (iii)]

Resolution 9

BY ORDER OF THE BOARD

PENG WEILE
EXECUTIVE DIRECTOR
14 April 2016
SINGAPORE

Explanatory Note:

(i) If re-elected under Resolution 6, Mr. Christopher Chong Meng Tak will remain as the chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee, and will be considered an Independent Director of the Company.

(ii) If re-elected under Resolution 7, Mr. San Meng Chee will remain as the chairman of the Remuneration Committee, member of the Audit Committee and Nomination Committee, and will be considered an Independent Director of the Company.

(iii) The Ordinary Resolution 9 proposed in item 10 above, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to a maximum of fifty per cent (50%) of the issued share capital of the Company (of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the issued share capital of the Company) for the purposes as they consider would be in the interest of the Company. This authority will continue in force until the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting.

Notes:–

(1) (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting who is and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(2) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

(3) A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf. A proxy need not be a member of the Company

(4) PERSONAL DATA PRIVACY By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORISE INTERNATIONAL LIMITED

(Company Registration No. 200804077W)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____ (Name)

of ____ (Address)

being a *member/members of **FORISE INTERNATIONAL LIMITED** (the "**Company**") hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807 on 29 April 2016 at 2.30 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Annual General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

* Please delete accordingly

(Please indicate your vote "For" or "Against" with a "X" within the box provided. Otherwise please indicate the number of votes)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Adoption of Audited Accounts, Directors' Statement and Auditors' Report for financial year ended 31 December 2015		
2.	Payment of Directors' Fees amounting to S$200,000 for financial year ending 31 December 2016, to be paid quarterly in arrears		
3.	Re-election of Mr. Wang Xin as a Director of the Company		
4.	Re-election of Mr. Peng Weile as a Director of the Company		
5.	Re-election of Mr. Peng Fei as a Director of the Company		
6.	Re-election of Mr. Christopher Chong Meng Tak as a Director of the Company		
7.	Re-election of Mr. San Meng Chee as a Director of the Company		
8.	Re-appointment of Nexia TS Public Accounting Corporation as Auditors of the Company		
	Special Business		
9.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50		

Dated this ________ day of ________________ 2016.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting who is and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the meeting.

4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.