UNAUDITED RESULT For the Period Ended 30 June 2014

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

1(a)(i) A consolidated income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2Q14 RMB'000	2Q13 RMB'000	%Change +/(-)	**1H14 RMB'000**	1H13 RMB'000	%Change +/(-)
Revenue	**103,499**	93,434	+10.8%	**196,387**	205,981	-4.7%
Cost of sales	**(97,142)**	(102,304)	-5.0%	**(185,551)**	(210,720)	-11.9%
Gross profit/(loss)	**6,357**	(8,870)	n.m.	**10,836**	(4,739)	n.m.
Other gains/(losses), net	**2,477**	(1,600)	n.m.	**3,128**	(2,090)	n.m.
Expenses						
-Selling and distribution	**(2,084)**	(2,399)	-13.1%	**(4,361)**	(4,559)	-4.3%
-Administrative	**(7,165)**	(27,819)	-74.2%	**(12,821)**	(36,451)	-64.8%
-Finance	**(2,520)**	(2,426)	+3.9%	**(5,085)**	(4,726)	+7.6%
Loss before income tax	**(2,935)**	(43,114)	-93.2%	**(8,303)**	(52,565)	-84.2%
Income tax expenses	**(590)**	(1,059)	-44.3%	**(1,469)**	(5,549)	-73.5%
Net loss	**(3,525)**	(44,173)	-92.0%	**(9,772)**	(58,114)	-83.2%
Other comprehensive income, net of tax:						
Item that may be reclassified subsequently to profit or loss						
- Currency translation (losses)/gains arising from consolidation	**(260)**	203	n.m.	**(82)**	256	n.m.
Total comprehensive loss	**(3,785)**	(43,970)	-91.4%	**(9,854)**	(57,858)	-83.0%
Net (loss)/profit attributable to						
-Equity holders of the Company	**(3,898)**	(44,173)	-91.2%	**(10,470)**	(58,114)	-82.0%
-Non-controlling interests	**373**	-	n.m.	**698**	-	n.m.
	(3,525)	(44,173)	-92.0%	**(9,772)**	(58,114)	-83.2%
Total comprehensive (loss)/income attributable to						
-Equity holders of the Company	**(4,158)**	(43,970)	-90.5%	**(10,552)**	(57,858)	-81.8%
-Non-controlling interests	**373**	-	n.m.	**698**	-	n.m.
	(3,785)	(43,970)	-91.4%	**(9,854)**	(57,858)	-83.0%

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial period:-

	Group			Group		
	2Q14 RMB'000	2Q13 RMB'000	%Change +/(-)	**1H14 RMB'000**	1H13 RMB'000	%Change +/(-)
(Expense)/Income						
Depreciation of property, plant and equipment	**(1,445)**	(1,740)	-17.0%	**(2,983)**	(3,328)	-10.4%
Amortisation of intangible assets	**(130)**	(120)	+8.3%	**(259)**	(265)	-2.3%
Interest income	**944**	109	+766.1%	**1,620**	256	+532.8%
Interest expense	**(2,520)**	(2,426)	+3.9%	**(5,085)**	(4,726)	+7.6%
Foreign exchange losses, net	**(208)**	(2,377)	-91.2%	**(808)**	(3,403)	-76.3%
Government grants	**2,069**	183	n.m.	**3,204**	918	+249.0%
Fair value (losses)/gains on derivative financial instruments	**(198)**	245	n.m.	**(764)**	(195)	+291.8%
Loss on disposal of property, plant and equipment	**(155)**	(80)	93.8%	**(155)**	(80)	93.8%
Allowance for impairment of trade receivables	**-**	(20,646)	n,m.	**-**	(20,646)	n.m.
Allowance for impairment of advances to suppliers	**-**	(15,245)	n.m.	**-**	(15,245)	n.m.

"n.m." denotes "not meaningful"

1(b)(i) A balance sheet (for the issuer and the Group), together with a comparative statement as at the end of the immediately preceding financial period

	Group		Company	
	As at 30 Jun 2014 RMB'000	As at 31 Dec 2013 RMB'000	**As at 30 Jun 2014 RMB'000**	As at 31 Dec 2013 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	**88,009**	118,584	**59**	48
Trade and other receivables	**164,532**	159,420	**5,770**	8,919
Inventories	**55,440**	58,695	**-**	-
Other current assets	**2,009**	1,998	**78**	129
Derivative financial assets	**53**	817	**-**	-
	310,043	339,514	**5,907**	9,096
Non-current assets				
Investments in subsidiaries	**-**	-	**47,827**	47,827
Property, plant and equipment	**46,878**	49,670	**23**	38
Intangible assets	**28,682**	28,941	**-**	-
Deposit for machinery and equipment	**1,445**	1,575	**-**	-
	77,005	80,186	**47,850**	47,865
Total assets	**387,048**	419,700	**53,757**	56,961
LIABILITIES				
Current liabilities				
Trade and other payables	**106,298**	102,244	**14,726**	14,533
Borrowings	**246,071**	266,979	**-**	-
Current income tax liabilities	**2,105**	2,161	**-**	-
Provision for restructuring	**697**	6,376	**339**	512
Total liabilities	**355,171**	377,760	**15,065**	15,045
NET ASSETS	**31,877**	41,940	**38,692**	41,916
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**104,766**	104,766	**104,766**	104,766
Restructuring reserve	**114,040**	114,040	**114,040**	114,040
Currency translation reserve	**75**	157	**-**	-
Warrant reserve	**727**	727	**727**	727
Performance shares	**677**	886	**677**	886
Shares to be issued	**3,349**	3,349	**3,349**	3,349
Accumulated losses	**(192,750)**	(182,280)	**(184,867)**	(181,852)
	30,884	41,645	**38,692**	41,916
Non-controlling interests	**993**	295	**-**	-
Total equity	**31,877**	41,940	**38,692**	41,916

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

Amount repayable within one year

	As at 30 June 2014		As at 31 Dec 2013	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Bank borrowings	**94,500**	**-**	85,600	-
Bills payable	**70,280**	**-**	57,285	-
Trade receivables factoring	**81,291**	**-**	124,094	-
	246,071	**-**	266,979	-

Details of any collateral

- Bank borrowings of the Group are secured over leasehold buildings and workshops and land-use right 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 and corporate guarantee from certain subsidiaries.
- Trade receivables factoring of the Group are secured by certain trade receivables and joint and several guarantees from a shareholder and its related parties.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period

	Group		Group	
	2Q14	2Q13	**1H14**	1H13
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flows from operating activities				
Net loss	**(3,525)**	(44,173)	**(9,772)**	(58,114)
Adjustments for:				
-Income tax expense	**590**	1,059	**1,469**	5,549
-Amortisation and depreciation	**1,575**	1,860	**3,242**	3,593
-Loss on disposal of property, plant and equipment	**155**	80	**155**	80
-Interest expense	**2,520**	2,426	**5,085**	4,726
-Interest income	**(944)**	(109)	**(1,620)**	(256)
-Fair value losses/(gains) on derivative financial instruments	**198**	(245)	**764**	195
-Performance share expenses	**(209)**	-	**(209)**	
-Unrealised currency translation (gains)/losses	**(423)**	846	**351**	1,153
Operating losses before changes in working capital	**(63)**	(38,256)	**(535)**	(43,074)
Changes in working capital:				
-Trade and other receivables *	**24,293**	13,611	**72,913**	26,193
-Inventories	**1,414**	12,119	**3,255**	8,380
-Other current assets	**2,135**	(924)	**(11)**	(1,020)
-Trade and other payables	**15,593**	9,535	**4,054**	5,533
- Provision for restructuring	**(3,579)**	-	**(5,679)**	-
Cash generated from operations	**39,793**	(3,915)	**73,997**	(3,988)
Interest received	**944**	109	**1,620**	256
Income tax paid	**(907)**	(3,221)	**(1,525)**	(6,508)
Net cash provided by/(used in) operating activities	**39,830**	(7,027)	**74,092**	(10,240)
Cash flows from investing activites				
Additions to property, plant and equipment	**(430)**	(586)	**(527)**	(1,898)
Proceeds from disposal of property, plant & machinery	**309**	-	**309**	-
Net cash used in investing activities	**(121)**	(586)	**(218)**	(1,898)
Cash flows from financing activities				
Proceeds from borrowings	**122,024**	128,677	**215,620**	240,847
Repayment of borrowings *	**(173,223)**	(89,804)	**(314,551)**	(183,899)
Interest paid	**(2,520)**	(2,426)	**(5,085)**	(4,726)
Decrease/(increase) in short-term bank deposits pledged	**19,358**	(23,696)	**29,856**	(37,999)
Net cash (used in)/provided by financing activities	**(34,361)**	12,751	**(74,160)**	14,223
Net increase/(decrease) in cash and cash equivalents	**5,348**	5,138	**(286)**	2,085
Cash and cash equivalents at beginning of financial period	**48,024**	50,985	**54,098**	54,288
Effects on currency translation on cash and cash equivalents	**7**	(646)	**(433)**	(896)
Cash and cash equivalents at end of financial period	**53,379**	55,477	**53,379**	55,477

* Certain comparatives have been reclassified to be consistent with current period's presentation

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period (continued)

Note:

For the purpose of consolidated cash flow statement, cash and cash equivalents comprise the following :-

	Group		Group	
	2Q14	2Q13	**1H14**	1H13
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**88,009**	120,500	**88,009**	120,500
Less: Short-term bank deposits pledged	**(34,630)**	(65,023)	**(34,630)**	(65,023)
	53,379	55,477	**53,379**	55,477

1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period

(RMB'000)	Attributable to equity holders of the Company								Non-controlling interest	Total Equity
	Share Capital	Shares to be issued	Restructuring Reserve	Performance Share	Warrant Reserve	Currency Translation Reserve	Retained Profits/ (Accumulated Losses)	Total		
Group										
At 1 January 2014	104,766	3,349	114,040	886	727	157	(182,280)	41,645	295	41,940
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	(82)	(10,470)	(10,552)	698	(9,854)
Performance share expense	-	-	-	(209)	-	-	-	(209)	-	(209)
At 30 June 2014	104,766	3,349	114,040	677	727	75	(192,750)	30,884	993	31,877
At 1 January 2013	104,766	-	114,040	-	-	(15)	58,926	277,717	-	277,717
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	256	(58,114)	(57,858)	-	(57,858)
At 30 June 2013	104,766	-	114,040	-	-	241	812	219,859	-	219,859
Company										
At 1 January 2014	104,766	3,349	114,040	886	727	-	(181,852)	41,916	-	41,916
Total comprehensive loss for the financial period	-	-	-	-	-	-	(3,015)	(3,015)	-	(3,015)
Performance share expense	-	-	-	(209)	-	-	-	(209)	-	(209)
At 30 June 2014	104,766	3,349	114,040	677	727	-	(184,867)	38,692	-	38,692
At 1 January 2013	104,766	-	114,040	-	-	-	(6,095)	212,711	-	212,711
Total comprehensive loss for the financial period	-	-	-	-	-	-	(3,000)	(3,000)		(3,000)
At 30 June 2013	104,766	-	114,040	-	-	-	(9,095)	209,711	-	209,711

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period

Warrants

The Company had on 20 May 2013 announced its entry into of a Subscription Agreement with SAPO Investment Pte Ltd (Subscriber). Pursuant to the Subscription Agreement, the Company will issue 30,000,000 unlisted and non-transferable warrants ("Warrants") to the Subscriber for a subscription price of S$150,000.

The Warrants were issued at an issue price of S$ 0.005 each with each Warrant carrying the right to subscribe for one new share of the Company upon exercise of the Warrants by the Subscriber at the exercise price of S$ 0.075 for each new share. As at 30 June 2014, no warrant was exercised and converted into ordinary share of the Company. The Warrants will expire on 18 July 2016.

	Group and Company	
	As at 30 June 2014	As at 31 December 2013
	(No. of warrants outstanding)	
Beginning of financial period/year	**30,000,000**	-
Issuance of warrants	-	30,000,000
End of financial period/year	**30,000,000**	30,000,000

Great Group Performance Share Scheme Adopted on 18 June 2009

Pursuant to the above scheme, the Company had on 5th June 2013, granted 8,700,000 shares awards to Non-Executives Directors (including independent Directors) and selected employees subject to the meeting of certain performance targets.

As at 30 June 2014, the number of Share Awards granted reduced by 2,050,000 shares to 6,650,000 shares as follow:

- 2,000,000 Share Awards has been granted to Mr. Lim Yeow Hua @ Lim You Qin, an ex-Director of the Company. Upon his retirement from the Board, Mr. Lim is no longer entitled to 2,000,000 Share Awards.
- Another 50,000 Share Awards previously granted to an employee, who has since left the Company and is no longer entitled to the 50,000 Share Awards.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	Group and Company	
	As at 30 June 2014	As at 31 December 2013
Number of issued shares excluding treasury shares	**265,000,000**	265,000,000

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

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which standard and practice.

The figures in this announcement have not been audited or reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the second quarter as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current financial period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on or after 1 January 2014. 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 following are the new or amended FRS that are relevant to the Group:

- FRS 27 Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 32 Financial Instruments: Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets (effective for annual period beginning on or after 1 January 2014)
- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 July 2014)
- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory Effective Date (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112: Transition Guidance (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities (effective for annual period beginning on or after 1 January 2014)

The adoption of the above did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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

	Group		Group	
	Second Quarter ended 30 June		Half Year ended 30 June	
	2014	2013	**2014**	2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Losses per Share (Basic) Based on the weighted average number of ordinary shares in issue	**(1.47)**	(16.67)	**(3.95)**	(21.93)
Number of shares Weighted average number of issued ordinary shares	**265,000,000**	265,000,000	**265,000,000**	265,000,000

	Group		Group	
	Second Quarter ended 30 June		Half Year ended 30 June	
	2014	2013	**2014**	2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Losses per Share (Diluted) Based on the weighted average number of ordinary shares in issue	**(1.47)***	(16.67)	**(3.95)***	(21.93)
Number of shares Weighted average number of issued ordinary shares	**311,650,000**	265,000,000	**311,650,000**	265,000,000

Basic loss per share is computed by dividing the loss attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

* As the Company incurred net loss for the second quarter and half year ended 30 June 2014, the dilutive potential shares from outstanding warrants, shares to be issued and performance shares are anti-dilutive and no change is made to the diluted losses per share.

There was no dilutive instruments in issue for the second quarter ended 30 June 2013.

7. Net assets value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial period

	Group		Company	
	As at 30 June 2014	As at 31 December 2013	**As at 30 June 2014**	As at 31 December 2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Net assets value per ordinary share	**12.03**	15.83	**14.60**	15.82
Number of issued ordinary shares as at end of the financial period/year	**265,000,000**	265,000,000	**265,000,000**	265,000,000

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:-

a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period/year reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on.

Commentary on Financial Results

Revenue

The breakdown of the Group's revenue by business segments is as set out below:

In RMB ' 000	Revenue			Sales Volume			Average Selling Price		
	2Q14	2Q13	% Change +/(-)	**2Q14**	2Q13	% Change +/(-)	**2Q14**	2Q13	% Change +/(-)
				PC'000	PC' 000		**RMB/PC**	RMB/PC	
Contract manufacturing*	**91,090**	93,434	-2.5%	**13,462**	11,533	+16.7%	**6.77**	8.10	-16.4%
Brands Solutions	**12,409**	-	n.m.	**-**	-		**-**	-	n.m.
Total	**103,499**	93,434	+10.8%	**13,462**	11,533	+16.7%			

In RMB ' 000	Revenue			Sales Volume			Average Selling Price		
	1H14	1H13	% Change +/(-)	**1H14**	1H13	% Change +/(-)	**1H14**	1H13	% Change +/(-)
				PC'000	PC' 000		**RMB/PC**	RMB/PC	
Contract manufacturing*	**174,770**	205,981	-15.2%	**24,550**	25,992	-5.5%	**7.12**	7.92	-10.1%
Brands Solutions	**21,617**	-	n.m.	**-**			**-**	-	n.m.
Total	**196,387**	205,981	-4.7%	**24,550**	25,992	-5.5%			

* The contract manufacturing business segment includes the results of GRAT.UNIC.

The Group's revenue for the second quarter ended 30 June 2014 ("2Q14") increased by RMB10.1 million or 10.8% to RMB103.5 million as compared to RMB93.4 million for the second quarter ended 30 June 2013 ("2Q13"). The increase in revenue is derived from Brands solution business segment which is contributed by a subsidiary, Sinex Solutions Limited.

Revenue for half year ended 30 June 2014 ("1H14") decreased by RMB9.6 million to RMB 196.4 million from RMB 206.0 million for the half year ended 30 June 2013 ("1H13"). This was mainly due to reduction in sales volume and lower average selling price of the contract manufacturing business segment.

The Group's revenue analysed by geographical areas is as follows:

	Revenue			Revenue		
	2Q14 RMB'000	2Q13 RMB'000	**%Change** +/(-)	**1H14 RMB'000**	1H13 RMB'00	**%Change** +/(-)
Asia	**19,746**	18,876	+4.6%	**34,761**	43,289	-19.7%
Europe	**69,833**	54,684	+27.7%	**128,191**	107,124	+19.7%
America	**9,843**	19,585	-49.7%	**25,877**	54,376	-52.4%
Other	**4,077**	289	n.m.	**7,558**	1,192	+534.1%
Total	**103,499**	93,434	+10.8%	**196,387**	205,981	-4.7%

Gross profit/(loss)

The Group's gross profit/(loss) by business segments is as follows:

	Gross Profit			Gross Profit		
	2Q14 RMB'000	2Q13 RMB'000	%Change +/(-)	**1H14 RMB'000**	1H13 RMB'000	%Change +/(-)
Contract manufacturing business*	**5,255**	(8,870)	n.m.	8,858	(4,739)	n.m.
Brands solutions business	**1,102**	-	n.m.	1,978	-	n.m.
Total	**6,357**	(8,870)	n.m.	10,836	(4,739)	n.m.
Gross Profit/(Loss) Margin	**6.1%**	(9.5%)	n.m.	5.5%	(2.3%)	n.m.

* The contract manufacturing business segment includes the results of GRAT.UNIC.

The Group's gross profit increased by RMB15.3 million from a gross loss of RMB8.9 million in 2Q13 to a gross profit of RMB6.4 million in 2Q14. On a half yearly basis, the Group's gross profit also increased by RMB15.6 million from a gross loss of RMB4.7 million in 1H13. The increase in gross profit is mainly due to allowance for impairment of advances to suppliers (included in cost of sales) of RMB15.2 milion provided for the contract manufacturing business segment in 2Q13 and 1H13 respectively

Other gains/(losses), net

The Group recorded other gains (net) of RMB2.5 million in 2Q14 and RMB 3.1 million in 1H14 respectively. This is mainly due to higher government grant received and lower foreign exchange losses due to strengtening of US$ against RMB.

	Other gains/(losses), net			Other gains/(losses), net		
	2Q14 RMB'000	2Q13 RMB'000	%Change +/(-)	**1H14 RMB'000**	1H13 RMB'000	%Change +/(-)
Interest income	**944**	109	766.1%	**1,620**	256	+532.8%
Government grants	**2,069**	183	n.m.	**3,204**	918	+249.0%
Fair value (losses)/gains on derivative financial instruments	**(198)**	245	n.m.	**(764)**	(195)	+291.8%
Foreign exchange losses, net	**(208)**	(2,377)	-91.2%	**(808)**	(3,403)	-76.3%
Loss on disposal of property, plant and equipment	**(155)**	(80)	93.8%	**(155)**	(80)	93.8%
Other	**25**	320	-92.2%	**31**	414	-92.5%
Total	**2,477**	(1,600)	n.m.	**3,128**	(2,090)	n.m.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB0.3 million from RMB2.4 million in 2Q13 to RMB2.1 million in 2Q14. On a half year basis, selling and distribution expenses is lower by RMB0.2 million from RMB4.6 million in 1H13 to RMB4.4 million in 1H14. The decrease is mainly due to the decrease in promotion and exhibition expenses, lower clearance costs and export charges for the contract manufacturing business segment which are in line with the reduction in customers' order.

Administrative expenses

Administrative expenses decreased by RMB20.6 million from RMB27.8 million in 2Q13 to RMB7.2 million in 2Q14 while, on a half yearly basis, decreased by RMB23.7 million to RMB12.8 million in 1H14 from RMB36.5 million in 1H13. The decrease in administrative expenses is mainly due to allowance for impairment of trade receivables of RMB20.6 million provided for the contract manufacturing business segment in 2Q13 and 1H13 respectively.

Finance expenses

Finance expenses in 2Q14 of RMB2.5 million were RMB0.1 million marginally higher than that in 2Q13 of RMB2.4 million. On a half yearly basis, the Group's finance expenses of RMB 5.1 million were also marginally higher than 1H13 of RMB4.7 million by RMB0.4 million. This is mainly due to the partial repayment of low interest rate for export finance (trade receivables factoring), thus resulting in lower balances of borrowings for trade receivables factoring from RMB 123.3 million as at 30 June 2013 to RMB 81.3 million as at 30 June 2014.

Income tax expense

Income tax expenses decreased by RMB0.5 million from RMB1.1 million in 2Q13 to RMB0.6 million in 2Q14. On a half yearly basis, income tax expenses also decreased by RMB4.1 million from RMB 5.6 million in 1H13 to RMB1.5 million in 1H14. Reduction in income tax expense is due to lower chargeable income derived by the Group. In addition, the Group has recognised RMB2.7 million of under-provision of current income tax expense during 1H13.

Commentary on Financial Position

Current assets

Cash and cash equivalents decreased by RMB30.6 million from RMB118.6 million as at 31 December 2013 to RMB88.0million as at 30 June 2014. The decrease in cash and cash equivalents was mainly due to utilisation of funds for restructuring and partial repayment of bank borrowings.

Trade and other receivables increased by RMB5.1 million or 3.2% to RMB164.5 million as at 30 June 2014 from RMB159.4 million as at 31 December 2013. The increase in trade and other receivables was mainly due to slower sales collection from one customer in Xiamen and increase in advances to new suppliers.

	30 June 2014	31 Dec 2013	% Change
	RMB'000	RMB'000	+/ (-)
Trade receivables	**183,311**	180,988	+1.3%
Less: Allowance for impairment of trade receivables	**(136,905)**	(136,905)	-
	46,406	44,083	+5.3%
Advances to suppliers	**103,914**	99,103	+4.9%
Less: Allowance for impairment of advances to suppliers	**(3,568)**	(3,568)	-
	100,346	95,535	+5.0%
Other receivables	**1,899**	4,490	-57.7%
Value added tax receivables	**15,881**	15,312	+3.7%
Total	**164,532**	159,420	+3.2%

Inventories

	30 June 2014	31 Dec 2013	% Change
	RMB '000	RMB '000	+/ (-)
Raw materials	**43,275**	37,373	+15.8%
Work-in-progress	**4,017**	8,148	-50.7%
Finished goods	**16,217**	21,243	-23.7%
Sub-total	**63,509**	66,764	-4.9%
Less: Write-down of finished goods which were considered obsolete.	**(8,069)**	(8,069)	-
Total	**55,440**	58,695	-5.5%

Inventories as at 30 June 2014 were RMB55.4 million, representing a decrease of RMB3.3 million from RMB58.7 million as at 31 December 2013, mainly due to the decrease in finished goods and work-in-progress which were consumed for production and sold during 1H14.

Non current assets

The Group's property, plant and equipment decreased marginally by RMB2.8 million or 5.6% to RMB46.9 million as at 30 June 2014 from RMB49.7 million as at 31 December 2013. This is mainly due to depreciation charge of RMB3.0 million offset by purchase of property, plant and equipment of RMB 0.5 million.

Current liabilities

As at 30 June 2014, current liabilities amounted to RMB355.2 million, a decrease of 6.0% or RMB22.6 million compared to RMB377.8 million as at 31 December 2013. This was mainly due to the decrease in borrowings of RMB20.9 million as a result of partial repayment made during 1H14.

Shareholder's equity

Total shareholders' equity as at 30 June 2014 amounted to approximately RMB31.9 million, mainly comprise share capital of RMB104.77 million, restructuring reserve of RMB114.04 million and accumulated losses of RMB191.8 million. The decrease was mainly due to net loss of RMB9.8 million incurred during 1H14.

Movement in accumulated losses of the Group is as follows:

In RMB ' 000	30 June 2014	31 Dec 2013	% Change
			+/ (-)
Beginning of financial period	**(181,991)**	58,926	n.m.
Net loss	**(9,772)**	(240,917)	-95.9%
Total	**(191,763)**	(181,991)	+5.4%

Commentary on financial cash flow

Cash and bank balances decreased by RMB0.7 million to RMB53.4 million as at 30 June 2014 from RM54.1 million as at 31 December 2013. The decrease was mainly contributed from financing activities.

The Group generated RMB74.1 million from operating activities mainly due to improved working capital as management tighten its controls over trade receivables and inventories. In addition, the Group relied on bills payable to pay most of the suppliers thus reducing the outflows of cash and bank balances.

The Group's net cash used in investing activities of RMB0.2 million was mainly related to capital expenditures offset by proceeds from disposal of property, plant and machinery.

Net cash used in financing activities of RMB74.2 million which is mainly due to higher repayment of borrowings as compared to proceeds from borrowings which is offset by decrease in bank deposits pledged.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

China's textile industry continues to face challenges owing to weak recovery from the international market, rising wages in China and intense price competition from lower-cost manufacturing bases in Southeast Asia and Bangladesh. This has led to lower demand for our products in the contract manufacturing business.

Faced with these challenges, the Group will continue to focus on cost rationalisation and to improve its financial efficiencies such as inventory and cash flow management. The Group continues to also follow-up on the initiatives it has announced in respect of its Brands Solution business. Any material development will be announced accordingly.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

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

Group	Contract Manufacturing Business Segment*		Brands Solutions Business Segment		Total	
	1H14 RMB'000	1H13 RMB'000	**1H14 RMB'000**	1H13 RMB'000	**1H14 RMB'000**	1H13 RMB'000
Revenue	**174,770**	205,981	**21,617**	-	**196,387**	205,981
Gross profit/(loss)	**8,858**	(4,739)	**1,978**	-	**10,836**	(4,739)
Other gains/(losses), net	**3,128**	(2,090)	**-**	-	**3,128**	(2,090)
Selling and distribution expenses	**(3,627)**	(4,559)	**(734)**	-	**(4,361)**	(4,559)
Administrative expenses	**(12,137)**	(36,451)	**(684)**	-	**(12,821)**	(36,451)
Finance expenses	**(5,085)**	(4,726)	**-**	-	**(5,085)**	(4,726)
(Loss)/profit before income tax	**(8,863)**	(52,566)	**560**	-	**(8,303)**	(52,566)
Income tax expense	**(1,469)**	(5,549)	**-**	-	**(1,469)**	(5,549)
Net (loss)/profit	**(10,332)**	(58,114)	**560**	-	**(9,772)**	(58,114)
Net (loss)/profit includes**:**						
-Depreciation of property, plant and equipment	**(2,983)**	(3,328)	**-**	-	**(2,983)**	(3,328)
-Amortisation of intangible assets	**(259)**	(265)	-	-	**(259)**	(265)
Segment assets	**329,321**	536,781	**57,727**	-	**387,048**	536,781
Segment assets includes:						
Additions (reduction) to:						
-Property, plant and equipment	**527**	1,898	**-**	-	**527**	1,898
Segment Liabilities	**344,875**	316,922	**10,296**	-	**355,171**	316,922

* The contract manufacturing business segment includes the results of GRAT.UNIC.

14. Interested person transactions

The group does not have a general mandate from shareholders for interested person transactions. The aggregate value of interested person transactions for the period ended 30 June 2014 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 our Ex-Director Mr Weng Wenju owns 50% of the interest. Mr Weng Wenju is brother of Mr Weng Wenwei.	RMB0.12 million	NA

Mr Weng Wenwei had, in connection with banking facilities granted by various banks to our Group, provided personal guarantees to secure such facilities. No fees were paid or are payable by our Group to Mr Weng Wenwei in connection with such guarantees.

15. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate has been obtained from shareholders for IPTs.

16. Statement Pursuant to Rule 705(5) of the Listing Manual

To the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited Second Quarter Results of the Group for the financial period ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors,

BY ORDER OF THE BOARD
Weng Wenwei (翁文伟)
Chief Executive Officer
8 August 2014